



INDEPENDENT AUDITOR'S REPORT

To The Chief Executive Officer of the Deutsche Bank AG – India Branches

Report on the Standalone Financial Statements

- We have audited the accompanying standalone financial statements of Deutsche Bank AG - India Branches (the "Bank"), which comprise the Balance Sheet as at March 31, 2018, and the Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

- The Bank's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time as applicable to banks. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

- Our responsibility is to express an opinion on these standalone financial statements based on our audit.
- We have taken into account the provisions of the Act and the Rules made thereunder, including the accounting standards, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by RBI as applicable to banks and matters which are required to be included in the audit report.
- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, as well as evaluating the overall presentation of the standalone financial statements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

- In our opinion, and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements together with the notes thereon give the information required by provisions of section 29 of the Banking Regulation Act, 1949 as well as the Act and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at March 31, 2018 and its profit and its cash flow for the year then ended.

Other Matter

- The standalone financial statements of the Bank as at March 31, 2017 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated June 23, 2017, expressed an unmodified opinion on those standalone financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- In our opinion, the Balance Sheet, Profit and Loss Account, and Cash Flow Statement dealt with by this report have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 read with applicable provisions of section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- As required by section 30 of the Banking Regulation Act, 1949 we report that:
 - We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank; and
 - During the course of our audit we have visited 5 branches to examine the books of account and other records maintained at the branch and performed other relevant audit procedures. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally at Mumbai as all the necessary records and data required for the purposes of our audit are available therein.
- Further, as required by section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - The requirement of Section 164(2) of the Companies Act, 2013 are not applicable to the Bank considering it is a branch of Deutsche Bank AG, which is incorporated with Limited Liability in Germany;
 - With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
 - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - The Bank has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone financial statements – Refer Schedule 12 and Schedule 18 – Note no. 4(n)(i) to the standalone financial statements;
 - The Bank has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 5 and Schedule 18 – Note no. 4(n)(i) to the standalone financial statements;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2018 and
 - The reporting on disclosures related to the Specified Bank Notes is not applicable to the Bank for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
 Firm Registration Number: 012754N/N500016
 Chartered Accountants

Sd/-
Sharad Vasant
 Partner
 Membership Number: 101119



Annexure A to the Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the Chief Executive Officer of Deutsche Bank AG – India Branches on the standalone financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Deutsche Bank AG – India Branches ("the Bank") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A Bank's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sd/-

Sharad Vasant
Partner

Membership Number: 101119

Mumbai
June 13, 2018



Balance Sheet as on 31 March 2018				Profit and Loss Account for the year ended 31 March 2018			
In thousands of Indian Rupees		31 March 2018	31 March 2017	In thousands of Indian Rupees		Year ended 31 March 2018	Year ended 31 March 2017
Schedule				Schedule			
Capital and Liabilities				Income			
Capital	1	47,341,087	44,971,087	Interest earned	13	47,411,820	50,009,042
Reserves and surplus	2	71,713,921	71,510,672	Other income	14	9,750,996	11,217,588
Deposits	3	473,584,367	388,719,082	Total		57,162,816	61,226,630
Borrowings	4	107,583,598	96,365,369	Expenditure			
Other liabilities and provisions	5	84,017,045	159,118,858	Interest expended	15	20,812,887	23,124,819
Total		784,240,018	760,685,068	Operating expenses	16	16,726,311	13,849,374
Assets				Provisions and contingencies	17	10,523,256	14,387,078
Cash and balances with Reserve Bank of India	6	31,622,783	37,166,376	Total		48,062,454	51,361,271
Balances with banks and money at call and short notice	7	92,767,024	89,385,115	Profit / (Loss)			
Investments	8	190,211,528	140,743,609	Net profit for the year		9,100,362	9,865,359
Advances	9	392,474,563	350,916,635	Profit brought forward		17,133,946	19,461,369
Fixed assets	10	1,092,966	1,108,079	Total		26,234,308	29,326,728
Other assets	11	76,071,154	141,365,254	Appropriations			
Total		784,240,018	760,685,068	Transfer to statutory reserve		2,275,091	2,466,340
Contingent liabilities	12	9,910,079,094	7,473,096,885	Transfer to capital reserve		-	183,400
Bills for collection		516,684,259	360,345,316	Transfer to/(from) investment reserve		(95,648)	(19,852)
Significant accounting policies and Notes to the financial statements	18			Transfer to remittable surplus retained for CRAR requirements		7,235,471	-
The accompanying notes form an integral part of this Balance Sheet				Remittances to Head Office made during the year		8,897,113	9,562,894
				Balance carried over to Balance Sheet		7,922,281	17,133,946
				Total		26,234,308	29,326,728
				Significant accounting policies and Notes to the financial statements 18			
				The accompanying notes form an integral part of this Profit and Loss Account.			

This is the Balance Sheet referred to in our report of even date.

This is the Profit and Loss Account referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
ICAI Firm Registration No: 012754N/N500016

For **Deutsche Bank AG**
India Branches

Sd/-
Sharad Vasant
Partner
Membership No: 101119

Sd/-
Ravneet Singh Gill
Chief Executive Officer – India

Sd/-
Avinash Prabhu
Chief Financial Officer – India

Place : Mumbai
Dated : 13 June 2018



Cash Flow Statement for the year ended 31 March 2018

In thousands of Indian Rupees	31 March 2018	31 March 2017
Cash Flow from operating activities		
Net profit before Taxes	16,630,930	19,377,494
Adjustment for:		
Depreciation and amortisation for the year	297,177	284,909
Provision for depreciation on investments	224,764	46,651
Provision for loan loss (net)	513,157	5,784,321
Provision for contingent credit exposures	699,883	(1,657)
Bad-debts written off	304,464	159,927
Provision for country risk	56,270	(44,761)
Provision for standard assets	175,902	(738,257)
Other Provisions	1,018,248	(331,281)
(Profit)/Loss on sale of fixed assets (net)	168	(409,944)
	19,920,963	24,127,402
Adjustment for:		
Increase / (Decrease) in deposits	84,865,285	(48,368,768)
Increase / (Decrease) in other liabilities and provisions	(77,052,116)	108,351,773
(Increase) / Decrease in investments	(49,692,683)	(7,193,611)
(Increase) / Decrease in advances	(42,375,549)	75,681,779
(Increase) / Decrease in other assets	66,346,686	(106,518,746)
	2,012,586	46,079,829
Income tax paid	(8,583,154)	(10,892,835)
Net cash flow from / (used in) operating activities (A)	(6,570,568)	35,186,994
Cash flows from investing activities		
Purchase of fixed assets	(231,664)	(304,814)
Capital Work-in-progress	(52,427)	(15,609)
Proceeds from sale of fixed assets	1,859	720,749
Net cash flow from/(used in) investing activities (B)	(282,232)	400,326
Cash flows from financing activities		
Increase in Capital	2,370,000	–
Remittance of profit to Head Office	(8,897,113)	(9,562,894)
Increase / (Decrease) in borrowings (net)	11,218,229	7,796,699
Net cash flow from/(used in) financing activities (C)	4,691,116	(1,766,195)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(2,161,684)	33,821,125
Cash and cash equivalents at beginning of the year	126,551,491	92,730,366
Cash and cash equivalents at end of the year	124,389,807	126,551,491
Increase in cash and cash equivalents	(2,161,684)	33,821,125
Notes on cash flow statement		
1. Cash and balances with Reserve Bank of India	31,622,783	37,166,376
Balances with banks and money at call and short notice	92,767,024	89,385,115
Cash and cash equivalents at end of the year	124,389,807	126,551,491

2. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This is the Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
ICAI Firm Registration No: 012754N/N500016

For **Deutsche Bank AG**
India Branches

Sd/-
Sharad Vasant
Partner
Membership No: 101119

Sd/-
Ravneet Singh Gill
Chief Executive Officer – India

Sd/-
Avinash Prabhu
Chief Financial Officer – India

Place : Mumbai
Dated : 13 June 2018



Schedules forming part of the Balance Sheet as on 31 March 2018

In thousands of Indian Rupees	31 March 2018	31 March 2017	In thousands of Indian Rupees	31 March 2018	31 March 2017
Schedule 1 – Capital			Schedule 4 – Borrowings		
Amount of deposit with Reserve Bank of India (at face value) under Section 11 (2)(b) of the Banking Regulation Act, 1949	25,500,000	22,900,000	1 Borrowings in India		
Head Office Account			(a) Reserve Bank of India	6,200,000	–
Opening Balance	44,971,087	44,971,087	(b) Other Banks	24,913	30,351
(including start-up capital of Rs 2 million and remittances from Head office)			(c) Other institutions and agencies	54,279,600	55,449,952
Additions during the year	2,370,000	–	60,504,513	55,480,303	
Total	47,341,087	44,971,087	2 Borrowings outside India		
			Other Banks	47,079,085	40,885,066
			47,079,085	40,885,066	
			Total	107,583,598	96,365,369
Schedule 2 – Reserves and Surplus			Secured borrowings included in 1 and 2 above	60,479,600	55,449,952
1 Statutory reserve					
Opening Balance	24,415,584	21,949,244	Schedule 5 – Other Liabilities and Provisions		
Additions : Transfer from Profit and Loss Account	2,275,091	2,466,340	1 Bills payable	6,047,070	5,317,676
26,690,675	24,415,584		2 Inter-office adjustments - branches in India (net)	–	8
			3 Interest accrued	2,072,990	1,314,433
2 Capital reserve			4 Provision for taxation (net of tax paid in advance / tax deducted at source)	–	–
Opening Balance	360,607	177,207	5 Others (including provisions) (Refer Schedule 18 Note-4 h vi)	75,896,985	152,486,741
Additions during the year (Profit on sale of land and buildings, net of taxes and transfer to Statutory Reserve)	–	183,400	84,017,045	159,118,858	
360,607	360,607				
			Schedule 6 – Cash and Balances with Reserve Bank of India		
3 Investment reserve			1 Cash in hand (including foreign currency notes)	146,401	131,366
Opening Balance	288,873	308,725	2 Balances with Reserve Bank of India		
Additions/(Deductions) : Transfer from/(to) Profit and Loss Account	(95,648)	(19,852)	(a) in current account	31,476,382	37,035,010
193,225	288,873		(b) in other accounts	–	–
			31,622,783	37,166,376	
4 Balance in Profit and Loss Account	7,922,281	17,133,946			
7,922,281	17,133,946		Total	31,622,783	37,166,376
5 Remittable Surplus retained for CRAR requirements			Schedule 7 – Balances with Banks and Money at Call and Short Notice		
Opening Balance	29,311,662	29,311,662	1 In India		
Additions : Transfer from Profit and Loss Account	7,235,471	–	(a) Balances with banks		
36,547,133	29,311,662		i. in current accounts	34,443	23,535
			ii. in other deposit accounts	1,900,000	1,900,000
Total	71,713,921	71,510,672	(b) Money at call and short notice		
			i. with banks	6,163,324	–
			ii. with other institutions	74,234,622	67,839,913
			2 Outside India		
Schedule 3 – Deposits			(a) in current accounts	10,434,635	4,057,667
1 (a) Demand deposits			(b) in deposit accounts	–	–
i. From banks	5,472,846	4,814,334	(c) Money at call and short notice	–	15,564,000
ii. From others	223,532,143	187,956,431	92,767,024	89,385,115	
229,004,989	192,770,765				
(b) Savings bank deposits	19,888,472	17,349,155			
(c) Term deposits					
i. From banks	–	–			
ii. From others	224,690,906	178,599,162			
224,690,906	178,599,162				
Total	473,584,367	388,719,082			
2 (i) Deposits of branches in India	473,584,367	388,719,082			
(ii) Deposits of branches outside India	–	–			
Total	473,584,367	388,719,082			



Schedules forming part of the Balance Sheet as on 31 March 2018

In thousands of Indian Rupees	31 March 2018	31 March 2017	In thousands of Indian Rupees	31 March 2018	31 March 2017
Schedule 8 – Investments			2 Other Fixed Assets		
Investments in India in:			(including furniture and fixtures)		
1 Government securities	172,763,606	128,576,445	(a) Cost as on 31st March of the preceding year	1,719,557	1,980,427
2 Other approved securities	–	–	(b) Additions during the year	230,068	246,754
3 Shares	618,878	288,994	(c) Deductions during the year	(52,818)	(507,624)
4 Debentures and bonds	17,142,334	11,949,834	(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 m vi)	(1,291,399)	(1,152,481)
5 Others (Includes Security Receipts)	339,514	356,376	Net Block	605,408	567,076
Gross Investments in India	190,864,332	141,171,649	3 Capital Work-in-progress	105,268	52,841
Less: Provision for depreciation on investments	(652,804)	(428,040)	Total	1,092,966	1,108,079
Total	190,211,528	140,743,609	Schedule 11 – Other Assets		
Schedule 9 – Advances			1 Inter-office adjustments - branches in India (net)	13	–
1 (a) Bills purchased and discounted	103,395,804	80,233,585	2 Interest accrued	5,325,127	5,799,758
(b) Cash credits, overdrafts and loans repayable on demand	158,868,165	160,346,598	3 Tax paid in advance / tax deducted at source (net of provision for taxation)	7,394,286	7,212,887
(c) Term loans	130,210,594	110,336,452	4 Stationery and stamps	347	240
Total	392,474,563	350,916,635	5 Others (including deferred tax - Refer Schedule 18 Note - 4 m iv)	63,351,381	128,352,369
2 (a) Secured by tangible assets (includes advances against book debts)	176,186,096	135,824,214	Total	76,071,154	141,365,254
(b) Covered by bank / Government guarantees	1,236,337	3,229,900	Schedule 12 – Contingent Liabilities		
(c) Unsecured	215,052,130	211,862,521	1 Claims against the Bank not acknowledged as debts (including tax related matters)	2,629,993	2,468,659
Total	392,474,563	350,916,635	2 Liability on account of outstanding foreign exchange contracts	5,188,856,640	4,900,641,686
3 Advances in India			3 Guarantees given on behalf of constituents		
(a) Priority sector	135,840,604	123,128,491	(a) In India	125,944,817	128,428,960
(b) Public sector	2,421,364	4,206,745	(b) Outside India	25,299,306	27,067,721
(c) Banks	21,884,442	39,128,797	4 Acceptances, endorsements and other obligations	51,243,208	47,759,098
(d) Others	232,328,153	184,452,602	5 Bills rediscounted	–	1,350,000
Total	392,474,563	350,916,635	6 Other Items for which the Bank is contingently liable		
Schedule 10 – Fixed Assets			(a) Swaps	4,106,168,555	2,051,528,071
1 Premises (including leasehold improvements)			(b) Options	306,001,646	193,990,665
(a) Cost as on 31st March of the preceding year	1,262,369	2,012,971	(c) Futures	–	–
(b) Additions during the year	1,596	58,060	(d) Other items	103,934,929	119,862,025
(c) Deductions during the year	(3,203)	(808,662)	Total	9,910,079,094	7,473,096,885
(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 m vi)	(878,472)	(774,207)			
Net Block	382,290	488,162			



Schedules forming part of the Profit and Loss account for the year ended 31 March 2018

In thousands of Indian Rupees	Year ended 31 March 2018	Year ended 31 March 2017	In thousands of Indian Rupees	Year ended 31 March 2018	Year ended 31 March 2017		
Schedule 13 – Interest Earned			Schedule 16 – Operating Expenses				
1	Interest/discounts on advances/bills	31,292,882	36,060,060	1	Payments to and provisions for employees (Refer Schedule 18 Note-4 m i) (net of cost recoveries)	6,175,359	5,168,691
2	Income on investments	9,729,964	8,191,775	2	Rent, taxes and lighting (net of cost recoveries) (Refer Schedule 18 Note-4 m v)	815,196	604,719
3	Interest on balances with Reserve Bank of India and other interbank funds	6,267,725	5,541,950	3	Printing and stationery	37,978	47,211
4	Others	121,249	215,257	4	Advertisement and publicity	54,163	87,967
	Total	47,411,820	50,009,042	5	Depreciation on Bank's property	297,177	284,909
Schedule 14 – Other Income			Schedule 17 – Provision and Contingencies				
1	Commission, exchange and brokerage (net) (including custodial and depository income)	4,443,674	4,328,091	1	Provision for loan loss (net)	513,157	5,784,321
2	Profit / (Loss) on sale of investments (net)	157,033	2,508,536	2	Provision / (write back) for contingent credit exposures	699,883	(1,657)
3	Profit / (Loss) on sale of fixed assets (net)	(168)	409,944	3	Provision / (write back) for standard assets	175,902	(738,257)
4	Profit / (Loss) on exchange transactions (net)	4,382,910	3,245,171	4	Provision / (write back) for country risk	56,270	(44,761)
5	Miscellaneous Income / (Loss)	767,547	725,846	5	Bad debts written off	304,464	159,927
	Total	9,750,996	11,217,588	6	Provision / (write back) for depreciation on investments	224,764	46,651
Schedule 15 – Interest Expended			Schedule 18 – Other Provisions				
1	Interest on deposits	14,582,680	19,335,718	7	Other Provisions	1,018,248	(331,281)
2	Interest on Reserve Bank of India and other interbank borrowings (including from other money market participants)	6,190,767	3,765,910	8	Provision for taxation:		
3	Others	39,440	23,191	(a)	Current tax	8,401,755	9,168,891
	Total	20,812,887	23,124,819	(b)	Deferred tax (Refer Schedule 18 Note-4 m iv)	(871,187)	343,244
				Total	10,523,256	14,387,078	

Schedule 18 : Notes forming part of the financial statements of the India Branches

For the year ended 31 March 2018

1. Background

The accompanying financial statements for the year ended 31 March 2018 comprise accounts of the India Branches of Deutsche Bank AG (the 'Bank') which is incorporated in Germany with limited liability.

2. Basis of preparation and use of estimates

The financial statements have been prepared and presented under the historical cost convention and on accrual basis of accounting, unless otherwise stated, and are in accordance with the generally accepted accounting principles and statutory provisions prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') and Accounting Standards ('AS') specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Account) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 to the extent applicable and conform to the statutory requirements prescribed by the RBI from time to time and current practices prevailing within the banking industry in India.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses as at the date of the financial statements. Actual results could differ from those estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

3. Significant accounting policies

a. Foreign currency translation

Monetary foreign currency assets, liabilities and contingent liabilities on account of guarantees, endorsements and other outstandings are translated at the Balance Sheet date at rates notified by the Foreign Exchange Dealers Association of India ('FEDAI'). Revenue and expenses in foreign currency are translated at the rates prevailing on the date of the transaction. Profits/losses resulting from year-end revaluations are included in the Profit and Loss Account.



Schedule 18: Notes forming part of the financial statements of the India Branches (*Continued*)

For the year ended 31 March 2018

3. Significant accounting policies (*Continued*)

b. Investments

- i. Investments are categorised as Held to Maturity ('HTM'), Available for Sale ('AFS') and Held for Trading ('HFT') in accordance with the RBI guidelines based on intent at the time of acquisition. However, for disclosure in the Balance Sheet, these are classified as Government securities, Other approved securities, Shares, Debentures and bonds, Investment in subsidiaries / joint ventures and other investments. These are valued in accordance with extant RBI guidelines.
Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments that are held principally for resale within a short period are classified as HFT investments. All other investments are classified as AFS investments.
- ii. Investments under HTM are carried at acquisition cost or amortised cost if acquired at a premium. The premium, if any, is amortised over the remaining life of the security on a straight line basis, while discount, if any, is ignored. Profit on sale of HTM securities is appropriated to Capital Reserve net of income tax and statutory reserve while loss, if any, is charged to the Profit and Loss Account. A provision is made for other than temporary diminution, if any, in the value of HTM investments.
- iii. Investments under AFS and HFT categories are revalued periodically at the market price or fair value as declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association ("FIMMDA") or by Financial Benchmark India Private Limited ("FBIL"). Securities under each category are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net depreciation, if any, is provided for and net appreciation, if any, is ignored. Net depreciation required to be provided for in any one classification is not reduced on account of net appreciation in any other classification.
- iv. Treasury bills, commercial paper and certificate of deposits, being discounted instruments, are valued at carrying cost.
- v. The market/ fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/ quotes on the stock exchanges, price list published by the RBI or the prices periodically declared by FIMMDA/FBIL.
- vi. The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the FIMMDA guidelines. Further, in the case of unquoted fixed income securities (other than government securities), valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities of similar tenor. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.
- vii. Investments in security receipts issued by asset reconstruction companies are valued at the latest Net Asset Values ("NAV") obtained from the asset reconstruction companies.
- viii. Investments in pass through certificates are valued by adopting base yield curve and corporate bond spread relative to weighted average maturity of the security.
- ix. Quoted equity shares are valued at their closing price on a recognised stock exchange. Unquoted equity shares are valued at the book value if the latest balance sheet is available, else, at Re. 1 per company, as per relevant RBI guidelines.
- x. Cost of investments is based on the weighted average cost method.
- xi. Broken period interest paid at the time of acquisition of the security has been charged to the Profit and Loss Account.
- xii. Brokerage, commission, etc. paid at the time of purchase / sale is charged to the Profit and Loss Account.
- xiii. Repurchase (repo) and reverse repurchase (reverse repo) transactions are accounted for as secured borrowing and lending contracts, respectively, in accordance with the extant RBI guidelines. The transactions with RBI under Liquidity Adjustment Facility ("LAF") are also accounted for as secured borrowing and lending transactions. These transactions are reflected under Schedule 4.1 and Schedule 7.1 accordingly.
- xiv. The Bank undertakes short sale transactions in Central Government dated securities. In accordance with the RBI guidelines, such short positions are categorised as HFT and are classified under Schedule 5.5. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments.
- xv. The difference between the consideration amount of first leg and second leg of the repo/ reverse repo is recognised as interest expense/ income in the Profit and Loss Account.
- xvi. The Bank follows settlement date accounting for recording purchase and sale of investments.
- xvii. Non-performing investments are identified and provision is made thereon based on the RBI guidelines. The provision on such non-performing investments is not set off against the appreciation in respect of other performing investments.
- xviii. Transfer of investments between categories is accounted in accordance with the extant RBI guidelines.
 - a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.
 - b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at a discount, and at amortised cost if originally placed in HTM at a premium.
 - c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provision for depreciation against the HFT securities and vice-versa.

c. Derivatives transactions

- i. The Bank enters into derivative contracts such as interest rate swaps, interest rate futures, currency swaps, currency futures, foreign currency-rupee options, cross currency options and foreign exchange contracts for hedging or trading purposes.
- ii. All derivative transactions are reported on a mark to market basis in the financial statements, except in the case of derivatives undertaken as hedges for risk arising from on-Balance Sheet / off-Balance Sheet exposures. The mark to market is performed based on the valuation procedures described in para 4 (g) of the Notes to the Accounts. The unrealised gains/losses are recognised in the Profit and Loss Account and the corresponding amounts are reflected as other assets/liabilities respectively in the Balance Sheet.



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

3. Significant accounting policies (Continued)

c. Derivatives transactions (continued)

- iii. The accounting for derivatives transactions undertaken as hedges is as follows:
Derivative contracts that hedge interest bearing assets or liabilities are valued for in the same manner as the underlying asset or liability. The bank identifies the hedged item (asset or liability) at the inception of the transaction itself.
Gains or losses on the termination of derivative transaction would be recognised when the offsetting gain or loss is recognised on the underlying asset or liability. This implies that any gain or loss on the terminated derivative would be deferred and recognised over the shorter of the remaining contractual life of the derivative or the remaining life of the asset/liability.
- iv. Overdue receivables under derivative contracts are classified as non-performing when unpaid for a period of 90 days and recognised through the Profit and Loss Account in accordance with applicable RBI guidelines.
- v. Foreign exchange contracts outstanding at the Balance Sheet date are marked to market as per methodology and at rates notified by FEDAI for specified maturities, suitably interpolated for in-between maturity contracts as specified by FEDAI. Contracts of maturities over twelve months (Long Term Forex Contracts) are marked to market at rates derived from the Reuters curve for that respective currency. The resulting profits or losses are recognised in the Profit and Loss Account.
- vi. In case of currency option trades, the premium received / paid is reflected on the Balance Sheet and recognised in the Profit and Loss Account only on maturity of trade.

d. Advances and provision for advances

- i. Advances are stated after deduction of borrowings on inter-bank participation certificate with risk, interest in suspense, bills rediscounting and provisions on non-performing advances.
- ii. Non-performing advances are identified by periodic appraisals of the portfolio by the Management and appropriate provisions are made which meet the prudential accounting norms prescribed by the RBI for asset classification, income recognition, and provisioning after considering subsequent recoveries.
Further to the provisions required to be held according to the asset classification status, country risk provisions are held for individual country exposures (other than for home country exposure) in accordance with RBI guidelines.
- iii. For standard assets, general provision has been made as prescribed by the RBI. In addition, the Bank also maintains a floating provision to cover potential credit losses which are inherent in any loan portfolio but not yet identified, which is included under Schedule 5.5.
- iv. Purchase / sale of non-performing assets are reflected in accordance with the RBI regulations. Provisioning for non-performing assets purchased is made appropriate to the asset classification status determined in accordance with the said guidelines. In case of sale of non-performing assets at a price below the net book value, the loss is debited to the Profit and Loss Account whereas in case of a sale at higher than the net book value, the excess provision is not reversed but retained to meet the shortfall / loss on account of sale of other non-performing financial assets, except in case of sale of non-performing assets to Securitisation Company (SC) / Reconstruction Company (RC) where any excess provision is reversed to Profit and Loss Account in accordance with applicable RBI guidelines on sale of financial assets to SC / RC. Recovery in respect of a non-performing asset purchased is first adjusted against its acquisition cost. Recovery in excess of the acquisition cost is recognised as gain in the Profit and Loss Account.
- v. Provisions for restructured assets are made in accordance with applicable RBI guidelines on restructuring of advances by banks.
- vi. In addition to above, the Bank on a prudential basis makes provisions on specific advances or exposures which are not NPAs, but has reasons to believe on the basis of the extant environment or specific information, the possible slippage of a specific advance or a group of advances or exposures or potential exposures. These provisions are included under Schedule 5.5.

e. Fixed assets and depreciation

- i. Fixed assets are stated at historical cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets.
- ii. Fixed assets costing less than Rs 30 thousand are expensed off in the Profit and Loss Account.
- iii. Depreciation is provided on a straight line basis over the estimated useful life of the asset. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of few asset classes where, based on management evaluation and past experience, a different estimate of useful life is considered suitable and is consistent with its global policy / RBI guidelines as prescribed. The rates for this purpose are as follows:

Asset Type	Depreciation rate per annum
Cost of buildings	2.50%
Other fixed assets	
<input type="checkbox"/> Furniture, fixtures and office equipment	10.00%
<input type="checkbox"/> Vehicles	20.00%
<input type="checkbox"/> Electronic Data Processing (EDP) hardware	33.33%
<input type="checkbox"/> Communication equipment	20.00%

- iv. Depreciation for the entire month is charged in the month in which the asset is purchased.
- v. Depreciation for the entire month is charged in the month of sale if the asset is sold after 15th day of the month. Depreciation is not provided for the month of sale if the asset is sold on or before 15th of the month.
- vi. Leasehold improvements are depreciated over the residual period of the lease or over a period of 10 years whichever is shorter.
- vii. Software is amortised on a straight-line basis over its estimated useful life upto 10 years.
- viii. If at the Balance Sheet date there is an indication that an impairment of fixed assets exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of its depreciable historical cost.

Items of fixed asset that have been retired from active use and are held for sale are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements.



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

3. Significant accounting policies (Continued)

e. Fixed assets and depreciation (Continued)

- ix. Leasehold land and building thereon is amortised over the period of lease. The lease period of land, acquired by the Bank from Brihanmumbai Municipal Corporation ("BMC") on which the Bank has a building has expired in year 2004. The Bank's solicitor has advised that, based on the current policy on lease renewals of the Government of Maharashtra, the lease/sublease for the bank's premises is expected to be renewed for a period of 30 years on usual term and conditions. Accordingly, the Bank has amortised the leasehold land and building for 30 years.

f. Lease transactions:

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

g. Income recognition

- i. Revenue is recognised in accordance with the requirements of AS-9 'Revenue Recognition'. Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of interest on non-performing assets which is recognised on receipt basis as per income recognition and asset classification norms of RBI and in accordance with AS 9.
- ii. Fee and commission income is recognised on an accrual basis. Commission income on guarantees and acceptances are recognised over the life of the contract.

h. Staff benefits

- i. The Bank pays gratuity to employees who retire or resign after a minimum prescribed period of continuous service. For employees who have joined the Bank on or before 31 December 2015, the Bank's Gratuity Scheme provides benefits to employees which are generally higher than those under the Payment of Gratuity Act, 1972. For employees joining on or after 1 January 2016, gratuity payment is as per the provisions of the Payment of Gratuity Act, 1972. The Bank makes contributions to a separate gratuity fund on a monthly basis subject to adjustments based on actuarial valuation. This fund is recognised by the Income-tax authorities and administered by a trust. The Gratuity Scheme is treated as a defined benefit plan and provision for gratuity expenses are made based on an independent actuarial valuation conducted by a qualified actuary at year-end as per method prescribed in AS 15, Employee benefits (revised).
- ii. The Bank contributes 12% of basic salary as employer's contribution towards Provident Fund which is administered by a trust. This Provident Fund is classified as a defined benefit plan under AS 15, Employee benefits (revised) as the same is created with a guaranteed return linked with that under Employees Provident Fund ("EPF") Scheme, 1952. The trust has the option of retaining an appropriate amount out of the amount earned, in a separate account (Surplus account) to finance future shortfalls, if any, after paying out an amount equal to or greater than the guaranteed rate of return. During the year the actuary has estimated the present value obligation (PVO) of the future guaranteed rate(s) of interest as per the guidance from the Institute of Actuaries of India in this regard. The shortfall if any of the PVO and the fair value of surplus account is reflected in the Profit and Loss Account for the year.
- iii. Provision for long service awards are made based on independent actuarial valuation conducted by a qualified actuary at year-end as per method prescribed in AS 15, Employee benefits (revised).
- iv. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the financial year are treated as short term benefits. The Bank measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- v. Eligible employees of the Bank have been granted stock awards under various plans of equity shares of Deutsche Bank AG. As per the various plans, these stock awards vest in installments (tranches) over multi year periods. During the year, the Bank has charged an amount pertaining to these under the head "Payments to and provisions for employees" as compensation cost.
- vi. Actuarial gains/losses are immediately taken to the Profit and Loss Account.

i. Taxation

- i. Income tax expense comprises the current tax (i.e. amount of tax for the year, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the deferred tax charge or credit comprises the tax effects of timing differences between accounting income and taxable income for the year.
- ii. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.
- iii. Current tax assets and Current tax liabilities are off-set as the Bank has a legal right to set off the amounts representing taxes on income levied by the same governing taxation laws and the Bank intends to settle the amounts on a net basis. Deferred tax assets and deferred tax liabilities are off-set as the Bank has a legal right to set off the assets and liabilities and the amounts are related to the taxes on income levied by the same governing taxation laws.
- iv. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

j. Provisions, contingent liabilities and contingent assets

- i. The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- ii. Provisions are reviewed at each Balance-Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- iii. Contingent assets are not recognised or disclosed in the financial statements.

k. Debit Card Reward Points

The Bank estimates the probable redemption of debit card reward points based on an independent actuarial valuation conducted by a qualified actuary at year-end. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the actuary.



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements

a. Capital adequacy ratio

The Bank is subject to the Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till March 31, 2019.

The capital adequacy ratio computed under Basel III is given below:

	31 March 2018	31 March 2017
i) Common Equity Tier 1 capital ratio	14.63%	14.73%
ii) Tier 1 capital ratio	14.63%	14.73%
iii) Tier 2 capital ratio	0.59%	0.65%
iv) Total Capital ratio (CRAR)	15.22%	15.38%
v) Percentage of the shareholding of the Government of India in public sector banks	NA	NA
vi) Amount of equity capital raised	-	-
vii) Amount of Additional Tier 1 capital raised; of which		
PNCPS:	-	-
PDI:	-	-
viii) Amount of Tier 2 capital raised; of which		
Debt capital instrument:	-	-
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

Capital and risk weighted assets:

(In Rs. '000)

	31 March 2018	31 March 2017
Common Equity Tier 1 (CET1) capital	110,622,442	98,882,018
Tier 1 capital	110,622,442	98,882,018
Tier 2 capital	4,474,339	4,337,815
Total capital	115,096,781	103,219,833
Total risk weighted assets	756,084,860	671,171,700

b. Investments

(In Rs. '000)

	31 March 2018	31 March 2017
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	190,864,332	141,171,649
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(652,804)	(428,040)
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	190,211,528	140,743,609
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance (as on 1 April)	428,040	381,389
(ii) Add: Provisions made during the year	224,764	46,651
(iii) Less: Write-off/ (write-back) of excess provisions during the year	-	-
(iv) Closing balance (as on 31 March)	652,804	428,040

Investments – Government securities (Schedule 8.1) include:

- Government securities amounting to Rs. 19,750,000 thousand representing face value (Previous year: Rs. 22,350,000 thousand) are collateral holdings parked with Clearing Corporation of India Limited ('CCIL') for Securities segment and Collateralised Borrowing and Lending Obligation ('CBLO') segment.
- Government securities amounting to Rs. 6,390,840 thousand representing face value (Previous year Rs. Nil) are reported under Liquidity Adjustment Facility ('LAF') with RBI.
- Government securities amounting to Rs. 13,350,000 thousand representing face value (Previous year: Rs. 13,350,000 thousand) are deposited with RBI in Intra Day Liquidity ('IDL') for availing Real Time Gross Settlement ('RTGS').
- Government securities amounting to Rs. 25,500,000 thousand representing face value (Previous year Rs. 22,900,000 thousand) are held with RBI under Section 11(2)(b) of the Banking Regulation Act, 1949.
- Government securities amounting to Rs. Nil representing face value (Previous year Rs. 1,966,700) are given under repurchase transactions.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**c. Details of repo / reverse repo deals done during the year (in face value terms):***(In Rs. '000)*

31 March 2018	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31 March 2018
Securities sold under repos				
(i) Government securities	-	13,394,000	314,659	-
(ii) Corporate debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government securities	10,539,400	150,646,900	63,567,403	12,190,000
(ii) Corporate debt Securities	-	-	-	-

The above figures exclude Repo & Reverse Repo transactions under LAF and Marginal Standing Facility (MSF) done with RBI.

(In Rs. '000)

31 March 2017	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31 March 2017
Securities sold under repos				
(i) Government securities	-	8,002,000	257,171	1,966,700
(ii) Corporate debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government securities	2,000,000	132,742,300	64,483,712	55,703,400
(ii) Corporate debt Securities	-	6,114,000	2,294,844	-

The above figures exclude Repo & Reverse Repo transactions under LAF and Marginal Standing Facility (MSF) done with RBI.

d. Issuer composition of non statutory liquidity ratio investments*(In Rs. '000)*

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
31 March 2018					
Public sector undertakings	-	-	-	-	-
Financial Institutions(FIs)	4,362,712	-	-	-	-
Banks	-	-	-	-	-
Private Corporate	13,398,500	9,803,878	-	-	1,440,994
Subsidiaries / Joint Ventures	-	-	-	-	-
Others (including SC/RC)	339,514	339,514	-	339,514	339,514
Provision held towards depreciation	(405,514)	(405,514)	-	(339,514)	(339,514)
Total	17,695,212	9,737,878	-	-	1,440,994

Amounts reported under the above columns are not mutually exclusive.

(In Rs. '000)

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
31 March 2017					
Public sector undertakings	2,503,436	-	-	-	-
Financial Institutions(FIs)	8,096,398	-	-	-	-
Banks	-	-	-	-	-
Private Corporate	1,638,994	1,638,994	-	-	225,994
Subsidiaries / Joint Ventures	-	-	-	-	-
Others (including SC/RC)	356,376	356,376	-	356,376	356,376
Provision held towards depreciation	(428,040)	(428,040)	-	(356,376)	(359,376)
Total	12,167,164	1,567,330	-	-	222,994

Amounts reported under the above columns are not mutually exclusive.

e. Movement in non-performing non-SLR investments*(In Rs. '000)*

	31 March 2018	31 March 2017
Opening Balance	66,000	3,000
Addition during the year	-	63,000
Reductions during the year	-	-
Closing Balance	66,000	66,000
Total Provisions held	66,000	3,184



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

f. Sale and Transfers to/from HTM category

During the year, the Bank has not sold /transferred securities to/from HTM category (Previous year Rs Nil).

g. Derivatives

i Details of outstanding interest rate swap agreements

(In Rs. '000)

	31 March 2018	31 March 2017
1. The Notional principal of swap agreements	3,862,677,045	1,824,917,026
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	11,755,163	7,272,925
3. Collateral required by the bank upon entering into swaps	Nil	Nil
4. Concentration of credit risk arising from the Swaps %		
– Banks	96.23%	93.76%
– Others	3.77%	6.24%
Total	100.00%	100.00%
5. The fair value of the swap book	419,197	268,800

■ Nature and terms of interest rate swaps

(In Rs. '000)

	31 March 2018	31 March 2017
Trading - MIBOR* Pay Fixed - Receive Floating	1,322,959,031	357,856,238
Trading - MIBOR* Pay Floating - Receive Fixed	1,489,765,710	329,749,340
Trading - MIFOR** Pay Fixed - Receive Floating	293,000,000	257,715,984
Trading - MIFOR** Pay Floating - Receive Fixed	120,691,000	139,729,770
Trading - INBMK*** Pay Fixed - Receive Floating	14,250,000	21,980,000
Trading - INBMK*** Pay Floating - Receive Fixed	13,000,000	15,000,000
Trading - Others (Incl LIBOR) Pay Fixed - Receive Floating	291,468,658	325,952,823
Trading - Others (Incl LIBOR) Pay Floating - Receive Fixed	287,086,368	329,663,706
Trading - LIBOR Pay Floating - Receive Floating	30,456,278	47,269,165
Total	3,862,677,045	1,824,917,026

* Mumbai Interbank Offer Rate

** Mumbai Interbank Forward Offer Rate

*** India Benchmark

■ There were no rupee forward rate agreements (FRA's) outstanding as at 31 March 2018 and 31 March 2017.

ii Exchange Traded Interest Rate Derivatives

(In Rs. '000)

	31 March 2018	31 March 2017
(i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)*		
a) 10 year Government Security Notional Bond	14,504,862	16,844,637
(ii) Notional principal amount of exchange traded interest rate derivatives outstanding		
b) 10 year Government Security Notional Bond	–	–
(iii) Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	–	–
(iv) Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	–	–

* Includes both purchase and sale.

iii Disclosures on risk exposure in Derivatives

Qualitative Disclosures

The Bank undertakes transactions in derivative products in accordance with the extant guidelines issued by the RBI. The broad risk Management framework covering the Bank's derivative business is covered in the below paragraphs.

The Bank undertakes transactions in derivative products either in the role of a user or as market maker.

The risk governance framework at the Bank including for derivatives is designed according to a three lines of defence (3LoD) operating model in order to ensure clear accountabilities for and a comprehensive, but non-duplicative, coverage of all risk management activities across the Bank.

The Bank requires strict independence between its 3LoD in order to avoid conflicts of interest by an appropriate separation of functions and responsibilities. The Bank requires all lines of defence to establish an effective and efficient internal governance structure with well-defined roles and responsibilities.

Risk Management Council (RMC) has been established to oversee credit risk, market risk and operational risk related matters for DB India, to provide a platform for integrated risk management in line with local regulatory requirements and Bank's 3LoD.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**g. Derivatives (Continued)**

iii Disclosures on risk exposure in Derivatives (Continued)

Limits are allocated to specific business lines, trading portfolio groups and geographical regions.

Amongst the most important quantitative tools and metrics currently used to measure, manage and report market risk are Value-at-Risk (VaR) and Stress Testing. The Group acknowledges the limitations in the VaR methodology by supplementing the VaR limits with other position and sensitivity limit structures, as well as with stress testing, on a consolidated basis.

To reduce derivatives related credit risk, the Bank regularly seeks the execution of master agreements (such as the International Swap Dealers Association contract) with clients.

The Bank uses Comprehensive Approach for collateral valuation.

For credit exposure measurement purposes, as the replacement values of the portfolios fluctuate with movements in market rates and with changes in the transactions in the portfolios, the Bank also estimates the potential future replacement costs of the portfolios over their lifetimes.

Hedging

The Bank manages its risk from derivatives activity on a portfolio basis. Specific hedges undertaken, if any, are ring fenced from the transactions undertaken for trading/market making purposes and held in a separate designated portfolio for easy identification and control.

Accounting, Valuation & Provisioning*Accounting & Provisioning*

Refer para 3(c) of Notes to financial statements.

Valuation

All instruments in derivatives portfolio are valued on the basis of a common methodology, consistent with generally accepted practices. The valuation takes into consideration all relevant market factors (e.g. prices, interest rates, currency exchange rates, volatility, liquidity etc.). The accuracy and integrity of the market prices are verified independently of trading personnel.

All linear Over The Counter (OTC) instruments are valued on a discounted cash flow basis, i.e. all future cash flows (receipts and payments) are discounted to their present value using mid market data. Market prices are obtained from established and reliable information services.

OTC option instruments are valued using proprietary option models. In case of foreign currency-rupee options, the volatility used for valuation is as given by FEDAI.

In case market prices do not accurately represent the fair value that would actually be realized for a position or portfolio, valuation adjustments such as market risk close-out costs, large position liquidity adjustments are made to arrive at the appropriate fair value. These adjustments may be calculated on a portfolio basis and are reported together with, or as a part of the carrying value of the positions being valued, thus reducing trading assets or increasing trading liabilities.

Quantitative Disclosures*(In Rs. '000)*

Sr. No.	31 March 2018		31 March 2017	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
1. Derivatives (Notional Principal Amounts)				
a) For hedging	-	-	-	-
b) For Trading	5,738,349,796	3,862,677,045	5,321,243,396	1,824,917,026
2. Marked to Market Positions (net)				
a) Asset (+)	37,293,003	11,755,163	107,898,045	7,272,925
b) Liability (-)	(35,726,670)	(11,335,966)	(114,316,692)	(7,004,125)
3. Credit Exposure #	178,181,891	43,460,607	236,679,547	24,119,723
4. Likely impact of one percentage change in interest rates (100 * PV01)				
a) On hedging	-	-	-	-
b) On Trading	2,457,590	756,408	2,823,842	2,758,587
5. Maximum of 100*PV01 observed during the year @				
a) On hedging	-	-	5,466	-
b) On Trading	2,813,680	4,025,094	2,897,548	2,838,836
6. Minimum of 100*PV01 observed during the year @				
a) On hedging	-	-	-	-
b) On Trading	2,413,108	583,211	702,240	271,828

Based on Current Exposure Method prescribed vide RBI master circular on Exposure norms.

@ Maximum & Minimum of PV01 as disclosed above is based on daily risk data

* Includes foreign exchange contracts



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

h. Asset Quality

i Non-Performing Assets (NPAs):

(In Rs. '000)

Movement in NPAs (funded)	31 March 2018	31 March 2017
(i) Net NPAs to Net Advances (%)	0.78%	0.93%
(ii) Movement of Gross NPAs		
a) Opening balance	9,947,728	1,991,244
b) Additions during the year	3,841,361	9,686,485
c) Reductions during the year	(3,555,929)	(1,730,001)
d) Closing Balance	10,233,160	9,947,728
(iii) Movement of Net NPAs		
a) Opening balance	3,276,886	1,104,723
b) Additions during the year	2,429,128	3,533,494
c) Reductions during the year	(2,656,853)	(1,361,331)
d) Closing Balance	3,049,161	3,276,886
(iv) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	6,670,842	886,521
b) Provisions made during the year	1,412,233	6,152,991
c) Write off/ write back of excess provisions during the year	(899,076)	(368,670)
d) Closing Balance	7,183,999	6,670,842

ii Particulars of Accounts Restructured (financial year ended 31 March 2018)

(In Rs. '000)

Sl No	Type of Restructuring →	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total							
		Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total			
Details ↓																								
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	2	-	2
		Amount outstanding	-	-	210,000	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4	-	4
		Provision thereon	-	-	210,000	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4	-	4
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1	1	-	-	1
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	1,862	-	-	-	1,862	1,862	-	-	1,862
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

h. Asset Quality (Continued)

ii Particulars of Accounts Restructured (financial year ended 31 March 2018) (Continued)

(In Rs. '000)

Sl No	Type of Restructuring →	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
		Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total		
Details ↓																							
6	Write-offs (net of recovery/reversal) of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	1	-	-	-	-	1	2	
		Amount outstanding	-	-	210,000	-	210,000	-	-	-	-	-	-	-	-	1,862	-	-	-	-	1,862	1,862	-
		Provision thereon	-	-	210,000	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,000	-

Figures under Sr no. 6 (Doubtful - Amount outstanding) includes amount recovered from restructured accounts amounting to Rs. 4 thousand

Figures under Sr no. 6 (Doubtful - Provision thereon) includes reversal of provision on restructured accounts amounting to Rs. 4 thousand

ii Particulars of Accounts Restructured (financial year ended 31 March 2017)

(In Rs. '000)

Sl No	Type of Restructuring →	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
		Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total		
Details ↓																							
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Fresh restructuring during the year	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	
		Amount outstanding	-	-	210,000	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,000	-
		Provision thereon	-	-	210,000	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,000	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

h. Asset Quality (Continued)

ii Particulars of Accounts Restructured (financial year ended 31 March 2017) (Continued)

(In Rs. '000)

SI No	Type of Restructuring →	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total
Details ↓																					
6	Write-offs (net of recovery/reversal) restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	1	-	1	-	-	2	-
		Amount outstanding	-	-	210,000	-	210,000	-	-	-	-	-	-	-	4	-	4	-	-	210,004	-
		Provision thereon	-	-	210,000	-	210,000	-	-	-	-	-	-	-	4	-	4	-	-	210,004	-

Figures under Sr no. 6 (Doubtful - Amount outstanding) includes amount recovered from restructured accounts amounting to Rs. 160 thousand

Figures under Sr no. 6 (Doubtful - Provision thereon) includes reversal of provision on restructured accounts amounting to Rs. 160 thousand

iii Divergence in Asset Classification and Provisioning for NPAs – (ref DBR.BP.BC.No. 63/21.04.018/2016-17 dated April 18, 2017)

There was no divergence observed by the RBI for the financial year 2016-17 in respect of the Bank's asset classification and provisioning under the extant prudential norms on Income Recognition, Asset Classification and Provisioning.

iv Details of financial assets sold to Securitisation Companies (SC) / Reconstruction companies (RC) for Asset Reconstruction :

The Bank has not sold any financial assets to SC/RC for Asset Reconstruction during the year ended March 31, 2018 and March 31, 2017.

v Book value and ageing of investments held in security receipts.

(In Rs. '000)

	31 March 2018	31 March 2017
Backed by NPAs sold by the bank as underlying	-	-
Backed by NPAs sold by other banks/financial institution/non-banking financial companies as underlying	339,514	356,376
Total	339,514	356,376

Provision held on above investments is Rs. 339,514 thousand (Previous year Rs. 356,376 thousand).

(In Rs. '000)

31 March 2018	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	-	-	-
Provision held against (i)	-	-	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	339,514
Provision held against (ii)	-	-	339,514
Total (i) + (ii)	-	-	339,514

(In Rs. '000)

31 March 2017	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	-	-	-
Provision held against (i)	-	-	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	356,376
Provision held against (ii)	-	-	356,376
Total (i) + (ii)	-	-	356,376


Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)
h. Asset Quality (Continued)

- vi Provision for standard assets
Other liabilities and provisions – Others (Schedule 5.5) includes

(In Rs. '000)

	31 March 2018	31 March 2017
Provisions on Standard Assets	2,921,171	2,745,269

- vii Details of non-performing financial assets purchased / sold:
The Bank has not purchased/sold any non performing financial assets from/to bank during the year ended March 31, 2018 and March 31, 2017.

- viii Flexible Structuring of Existing Loans:
The Bank has not done Flexible Structuring of Existing Loans during the year ended March 31, 2018 and March 31, 2017.

- ix Strategic Debt Restructuring Scheme (SDR) (accounts which are currently under the stand-still period):

(In Rs. '000)

Year ended	No. of accounts where SDR has been invoked	Amount outstanding		Amount outstanding with respect to accounts where conversion of debt to equity is pending		Amount outstanding with respect to accounts where conversion of debt to equity has taken place	
		Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
31 March 2018	1	749,531	–	–	–	749,531*	–
31 March 2017	–	–	–	–	–	–	–

* of which Rs. 329,884 thousand of loans where conversion to equity has taken place.

- x Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):
There are no accounts where the Bank has decided to affect the change of ownership outside SDR Scheme during the year ended March 31, 2018 and March 31, 2017.
- xi Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):
There are no project loan accounts where a Bank has decided to effect change in ownership during the year ended March 31, 2018 and March 31, 2017.
- xii Scheme for Sustainable Structuring of Stressed Assets (S4A):
There are no accounts where S4A had applied during the year ended March 31, 2018 and March 31, 2017.

i. Business Ratios

Year ended	31 March 2018	31 March 2017
Interest income as a percentage of working funds\$	5.96%	7.03%
Non-interest income as a percentage of working funds\$	1.23%	1.58%
Operating profit as a percentage of working funds \$	2.47%	3.35%
Return on assets #	1.14%	1.39%
Business per employee (in Rs. 000's) *@	480,506	410,286
Profit per employee (in Rs. 000's) *	5,081	5,508

\$ Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

Return on Assets would be with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

@ For the purpose of computation of business per employee (deposits plus advances) interbank deposits are excluded.

* Productivity ratios are based on year end employee numbers.

j. Asset Liability Management

Maturity pattern of certain items of assets and liabilities (financial year ended 31 March 2018)

(In Rs. '000)

Maturity Bucket*	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day –1#	–	–	–	–	–	–
2-7 Days	85,854,634	33,719,458	99,456,239	16,758,660	17,819,581	3,528,206
8-14 Days	6,912,230	23,541,071	5,718,059	12,276,250	15,704,787	9,776,250
15-30 Days	24,591,359	61,058,822	4,009,412	10,331,750	25,710,803	9,776,250
31 Days and upto 2 months	22,266,068	31,244,800	4,016,369	2,020,188	2,169,219	2,020,188
Over 2 months and upto 3 months	27,096,670	17,369,599	2,987,307	15,775,375	2,577,512	14,664,375
Over 3 Months and upto 6 months	33,856,511	29,241,994	5,304,563	21,111,000	2,009,659	–
Over 6 Months and upto 1 year	40,028,357	8,736,489	6,762,679	17,810,375	–	10,768,825
Over 1 Year and upto 3 years	206,384,441	89,658,406	40,007,637	3,000,000	–	18,674,193
Over 3 Year and upto 5 years	26,594,097	24,784,009	9,505,803	8,500,000	–	–
Over 5 years	–	73,119,915	12,443,460	–	2,210,045	2,965,473
Total	473,584,367	392,474,563	190,211,528	107,583,598	68,201,606	72,173,760

* Maturity bucket has been revised based on RBI guideline dated March 23, 2016

Day 1 being a banking holiday amounts are being shown in 2-7 Days s bucket.



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

j. Asset Liability Management (Continued)

Maturity pattern of certain items of assets and liabilities (financial year ended 31 March 2017)

(In Rs. '000)

Maturity Bucket*	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day – 1	30,080,019	12,874,433	55,934,846	708,417	6,469,676	4,277,303
2-7 Days	33,462,311	9,544,193	6,572,257	5,192,452	21,739,406	3,242,500
8-14 Days	19,598,633	28,696,368	4,608,088	3,242,500	19,799,744	3,242,500
15-30 Days	21,148,751	29,633,670	11,151,428	10,283,000	15,053,382	9,727,500
31 Days and upto 2 months	42,203,113	23,777,733	5,438,911	6,485,000	4,048,706	6,485,000
Over 2 months and upto 3 months	19,825,414	26,450,480	7,081,400	30,838,500	4,858,221	9,727,500
Over 3 Months and upto 6 months	16,462,983	31,856,955	3,115,324	4,909,000	1,302,822	3,242,500
Over 6 Months and upto 1 year	13,428,983	27,275,797	4,706,209	13,333,000	133,264	–
Over 1 Year and upto 3 years	176,048,994	79,872,509	31,813,448	12,873,500	–	24,355,751
Over 3 Year and upto 5 years	16,459,881	19,713,622	4,538,553	8,500,000	166,164	–
Over 5 years	–	61,220,875	5,783,145	–	1,510,393	2,292,469
Total	388,719,082	350,916,635	140,743,609	96,365,369	75,081,778	66,593,023

* Maturity bucket has been revised based on RBI guideline dated March 23, 2016

Classification of assets and liabilities under different maturity buckets are compiled by Management based on guidelines issued by the RBI and are based on the same estimates and assumptions as used by the Bank for compiling returns to be submitted to the RBI

k. Exposures

i Exposure to Real Estate Sector

(In Rs. '000)

Category	31 March 2018	31 March 2017
a) Direct exposure		
(i) Residential Mortgages –		
(a) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented [includes an amount of Rs 220,700 thousand (Previous year Rs 275,273 thousand) pertaining to individual housing loans eligible for priority sector advances]	12,577,979	16,596,098
(b) Other lendings secured by mortgage on residential property	78,913,184	63,132,315
(ii) Commercial Real Estate (CRE)* –	18,196,096	18,321,179
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits		
(iii) Other exposure (lendings secured by commercial property not falling under CRE definition)	28,442,924	21,923,260
(iv) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –	–	–
a. Residential		
b. Commercial Real Estate		
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	23,298,796	14,999,122
Total	161,428,979	134,971,974

* Commercial Real Estate exposure has been computed and reported in accordance with RBI circular 'Guidelines on Classification of Exposures as Commercial Real Estate (CRE) Exposures' reference DBOD.BP.BC.No. 42 / 08.12.015/ 2009-10 dated September 9, 2009.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**k. Exposures (Continued)**

ii Exposure to Capital Market

(In Rs. '000)

Items	31 March 2018	31 March 2017
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	499,885	170,001
(ii) advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	91,964	20,404
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	9,482,000	9,483,356
(vi) loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	1,890,378
(vii) bridge loans to companies against expected equity flows/issues	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) financing to stockbrokers for margin trading	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
(xi) irrevocable Payment Commitments issued by custodian banks in favour of stock exchanges	2,003,306	1,143,493
Total	12,077,155	12,707,632

iii Risk Category wise Country Exposure

(In Rs. '000)

Risk Category	31 March 2018		31 March 2017	
	Exposure(net)	Provision held	Exposure(net)	Provision held
Insignificant	73,848,967	70,183	36,415,058	13,913
Low	4,120,219	-	1,622,085	-
Moderately Low Risk	291,089	-	869,398	-
Moderate	155,393	-	44,504	-
Moderately High Risk	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	78,415,668	70,183	38,951,045	13,913

iv Single and Group Borrower Exposures

The exposure ceiling for single borrower limit (SBL) and group borrower limit (GBL) is 15% and 40% of capital funds (i.e. Tier I & Tier II Capital) respectively, with an additional allowance of 5% and 10% of capital funds for infrastructure sector exposure. SBL is 25% of capital funds in respect of Oil companies who have been issued Oil Bonds (which do not have SLR status) by the Government of India.

RBI has permitted banks to enhance the credit exposure by an additional 5% of Capital funds, provided the Management approval has been obtained. During the year the Bank has not increased single borrower or group borrower exposure limit for any counterparty.

v. Unsecured Advances

The bank does not have any advances secured by an intangible asset (Previous year Rs. Nil).

I. Disclosure of Penalties Imposed by RBI

No penalties have been imposed on the bank during the year and previous year by the RBI under section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949.



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

m. Disclosure requirements as per Accounting Standards

i AS 15 – Employee Benefits

Gratuity

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity is given below.

(In Rs. '000)

	31 March 2018	31 March 2017
Defined benefit obligation	1,148,560	1,124,791
Fair value of plan assets	1,091,416	1,033,727
Deficit/(Surplus)	57,144	91,064
Changes in present value of defined benefits obligations		
Opening Balance	1,124,791	984,119
Current service cost	125,722	119,212
Interest cost	76,147	71,728
Benefits paid	(104,589)	(129,057)
Actuarial (gain)/loss recognised during the year	(73,511)	78,789
Closing Balance	1,148,560	1,124,791
Changes in fair value of plan assets		
Opening Balance	1,033,727	942,077
Expected return on plan assets	82,460	74,418
Contributions by the Bank	98,624	105,354
Benefits paid	(104,589)	(129,057)
Actuarial gain/(loss) recognised during the year	(18,806)	40,935
Closing Balance	1,091,416	1,033,727
Total expense recognised in the Profit and Loss Account in schedule 16.1		
Current service cost	125,722	119,212
Interest cost	76,147	71,728
Expected return on plan assets	(82,460)	(74,418)
Net actuarial (gain)/loss recognised during the year	(54,705)	37,854
Expense recognised in the Profit and Loss Account	64,704	154,376
Actual return on plan assets	63,654	115,353
Key Assumptions		
Salary Escalation	10.00%	10.00%
Discount rate	7.60%	7.10%
Expected rate of return on plan assets	8.00%	8.00%
Attrition rate - 0 to 5 years of service	20.00%	20.00%
Attrition rate - 6 to 10 years of service	15.00%	15.00%
Attrition rate - above 10 years of service	5.00%	5.00%

Gratuity Investment Pattern is as follows:

	31 March 2018	31 March 2017
Government of India Securities (Central and State)	23.66%	21.74%
Corporate Bonds (Including Public Sector Bonds)	51.49%	58.79%
Equity shares of listed companies	15.87%	–
Cash & Cash equivalents (including other current assets)	8.88%	18.30%
Others (including fixed deposit & special deposits) (including assets under scheme of Insurance)	0.10%	1.17%
Total	100.00%	100.00%

Experience adjustments are as follows:

(In Rs. '000)

	For the financial year ended				
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Defined Benefit Obligation	1,148,560	1,124,791	984,119	886,191	683,148
Funded Assets	1,091,416	1,033,727	942,077	893,284	788,774
Deficit/ (Surplus)	57,144	91,064	42,042	(7,093)	(105,626)
Experience Gain/(Loss) adjustments on plan liabilities	15,207	(9,914)	(37,370)	(60,165)	(34,990)
Experience Gain/(Loss) adjustments on plan assets	(18,806)	40,935	(2,381)	62,013	(8,284)
Actuarial Gain/(Loss) due to change of assumptions	58,304	(68,875)	(8,738)	(99,873)	29,068



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

m. Disclosure requirements as per Accounting Standards (Continued)

i AS 15 – Employee Benefits (Continued)

Provident fund

The guidance note on AS-15, Employee Benefits, states that employer established provident funds, where interest is guaranteed are to be considered as defined benefit plans and the liability has to be valued. The Bank has charged Rs. 211,005 thousand (Previous year: Rs 223,626 thousand) to the Profit and Loss Account towards provident fund expenses.

Key Assumptions	31 March 2018	31 March 2017
Discount rate	7.60%	7.10%
Expected return	8.55% for all future years	8.75% for the first year 8.6% thereafter

Long-Term Award

The Bank has charged Rs. 10,743 thousand (Previous year: Rs 8,874 thousand) to the Profit and Loss Account towards Long term award expenses.

ii AS 17- Segment reporting:

'Segment Reporting' prescribed by the AS 17 and in accordance with the guidelines issued by the RBI are given below:

(In Rs. '000)

Business Segments	Global Markets	Commercial Banking	Retail Banking	Others	Total
For the year ended 31 March 2018					
Revenue	5,028,077	29,154,532	15,369,471	7,610,736	57,162,816
Less: Inter-segment revenue	(5,970,329)	1,602,113	(2,233,196)	6,601,412	-
Income from operations	10,998,406	27,552,419	17,602,667	1,009,324	57,162,816
Results	2,307,506	7,715,690	1,443,808	5,163,926	16,630,930
Unallocated Expenses					-
Operating Profit before tax					16,630,930
Income Tax and Deferred Tax					(7,530,568)
Extraordinary profit/Loss (pre-tax)					-
Net Profit after tax					9,100,362
Other Information					
Segment Assets	147,483,661	407,743,536	213,697,617	3,820,436	772,745,250
Unallocated Assets					11,494,768
Total Assets					784,240,018
Segment Liabilities	63,446,995	441,002,507	154,012,568	125,777,948	784,240,018
Unallocated Liabilities					-
Total Liabilities					784,240,018
Capital expenditure	4,329	4,497	24,038	198,800	231,664
Depreciation	59,128	145,251	92,798	-	297,177

(In Rs. '000)

Business Segments	Global Markets	Commercial Banking	Retail Banking	Others	Total
For the year ended 31 March 2017					
Revenue	6,530,663	33,680,589	13,198,621	7,816,757	61,226,630
Less: Inter-segment revenue	(4,489,623)	(364,418)	(2,149,472)	7,003,513	-
Income from operations	11,020,286	34,045,007	15,348,093	813,244	61,226,630
Results	846,764	10,067,566	1,820,770	6,642,394	19,377,494
Unallocated Expenses					-
Operating Profit before tax					19,377,494
Income Tax and Deferred Tax					(9,512,135)
Extraordinary profit/Loss (pre-tax)					-
Net Profit after tax					9,865,359
Other Information					
Segment Assets	175,469,255	389,170,355	181,269,039	4,334,237	750,242,886
Unallocated Assets					10,442,182
Total Assets					760,685,068
Segment Liabilities	142,512,089	348,730,582	143,817,362	125,625,035	760,685,068
Unallocated Liabilities					-
Total Liabilities					-
Capital expenditure	1,838	7,877	53,568	241,531	304,814
Depreciation	51,972	160,557	72,380	-	284,909



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

m. Disclosure requirements as per Accounting Standards (Continued)

iii AS 17 – Segment Reporting (Continued)

The Bank has classified its business groups into following segments:

- Global Markets
- Commercial banking
- Retail banking
- Others

The Bank's operations predominantly comprise of its business encompassing Global Markets, Commercial banking services and Retail banking. Global Markets activities encompass trading in forex, derivatives, corporate bonds, government securities, placement of corporate debt in the market and also offering such products to the Bank's corporate and institutional customers.

Commercial banking encompasses transaction banking services, catering to working capital requirement of corporate customers and custodial and wealth management services. Principal products offered include loans, deposits, custodial services, trade services, cash management services and wealth management services.

Retail banking activities encompasses raising of deposits from retail customers and catering to loan requirements of such customers. Principal products offered include personal loan, housing loan and business loan, deposits and advisory services.

Others in segment revenue mainly includes parbanking income and revenue earned on account of the notional capital charge and notional cost of fixed asset usage charged to other segments based on internal funds transfer pricing policy of the Bank.

Liquidity Pool Management activities previously included within our business segments are centrally managed by Treasury and are included in Others and subsequently allocated to business segments.

Segment result is net of expenses both directly attributed as well as allocated costs from internal service providers supporting the respective business groups.

Assets employed by a segment or assets that are directly attributable to that segment are included in segment assets.

Others in segment assets mainly includes fixed assets, security deposits and pre-paid expenses, the related charge of which are included in the respective segments either as directly attributable or allocated on a reasonable basis.

Liabilities that result from operations of a segment are included in segment liabilities.

Others in segment liabilities mainly include capital & reserves and surplus, the related notional charges of which are included under the respective segment.

The Bank renders its services within one geographical segment and has no offices or operations outside India.

iii AS 18 - Related party disclosures

Related party disclosures as required by AS 18 - 'Related Party Disclosures' and in accordance with the guidelines issued by the RBI are given below:-

Relationships during the year

i. Head office

Deutsche Bank AG and its branches

ii. Associate

Comfund Consulting Limited

iii. Other related parties of Deutsche Bank Group where common control exists at group level

DBOI Global Services Private Limited, Deutsche Asset Management (India) Private Limited, Deutsche CIB Centre Private Limited, Deutsche Equities India Private Limited, Deutsche India Holdings Private Limited, Deutsche Investments India Private Limited, Deutsche Investor Services Private Limited, Deutsche Securities (India) Private Limited, Deutsche Trustee Services (India) Private Limited,

RREEF India Advisors Private Limited, DB Global Technology, Inc., DB Group Services (EURO), DB International (Asia) Limited, DB USA Core Corporation, db x-trackers MSCI Emerging Markets Index UCITS ETF, DBOI Global Services (UK) Limited, Deutsche Alternative Asset Management (Global) Limited, Deutsche Asset Management Group Limited, Deutsche Bank (China) Co.-Ltd., Deutsche Bank (Malaysia) Berhad, Deutsche Bank (Mauritius) Limited, Deutsche Bank (Suisse) SA, Deutsche Bank Europe GmbH, Deutsche Bank International Trust Co. Limited, OOO "Deutsche Bank" Moscow, Deutsche Bank National Trust Company, Deutsche Bank Nederland N.V., Deutsche Bank Polska Spółka Akcyjna, Deutsche Bank Polska Spółka Akcyjna (merged per 31.01.2014), Deutsche Bank S.A. - Banco Alemão, Deutsche Bank Società per Azioni, Deutsche Bank Securities Inc., Deutsche Bank Trust Company Americas, Deutsche Bank- Sociedad Anónima Española, Deutsche India Equity Fund, Deutsche Securities Korea Co., Deutsche Securities Mauritius Limited, Deutsche Trustees Malaysia Berhad, Deutsche Asset Management S.A., Essential Capital Consortium B.V., EVAF B-Frost Finland Properties Oy, Global Commercial Microfinance Consortium II B.V., OOO "Deutsche Bank TechCentre", Public joint-stock company "Deutsche Bank DBU", Deutsche Nederland N.V., DB UK Bank Limited, German American Capital Corporation, Sal. Oppenheim jr. & Cie. Luxembourg S.A., Deutsche Securities Asia Limited- Singapore Branch, Deutsche Bank México- S.A.- Institución de Banca Múltiple, Deutsche New Zealand Limited, Deutsche Bank International Limited, Deutsche Bank Americas Holding Corp., Deutsche Bank Securities Limited, Deutsche Asset Management (Japan) Limited, Deutsche Bank Luxembourg S.A., Deutsche Securities Inc., Deutsche Asset & Wealth Management Investment GmbH, Deutsche Bank S.A., Deutsche Asset Management International GmbH, DWS Holding & Service GmbH, Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft, DB Fund Services LLC, Gemini Technology Services Inc., DB Servicios México- S.A. de C.V., Deutsche Investment Management Americas Inc., Deutsche AM Service Company, Deutsche AM Distributors - Inc., RREEF Management L.L.C., Deutsche Asset Management (Korea) Company Limited, Deutsche International Corporate Services (Ireland) Limited, Deutsche Asset Management (Hong Kong) Limited, Deutsche Group Services Pty Limited, Finanza & Futuro Banca SpA, Deutsche Securities Menkul Degerler A.S., DB Services Americas- Inc., DB Investment Partners- Inc., Deutsche Trust Company Limited Japan, DEUTSCHE BANK A.S., DB Service Centre Limited, Deutsche Securities (Proprietary) Limited, DB HR Solutions GmbH, Deutsche IT License GmbH, DB Energy Trading LLC, Deutsche Knowledge Services Pte. Ltd.- Manila Branch, Deutsche Asset Management (UK) Limited, MortgageIT- Inc., DB Consorzio S. Cons. a r. l., Deutsche CIB Centre Private Limited- Birmingham Branch, DB Global Technology SRL, DEUKONA Versicherungs-Vermittlungs-GmbH, Deutsche Asia Pacific Holdings Pte Ltd, DB Investment Services GmbH, Deutsche Bank Trust Company, National Association, Deutsche Alternative Asset Management (UK) Limited, RREEF Investment GmbH, DB Private Equity GmbH, DB (Belgium) Finance S.A./N.V.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**m. Disclosure requirements as per Accounting Standards (Continued)**

iii AS 18 - Related party disclosures (Continued)

iv. **Key management personnel**

In accordance with the RBI circular DBR.BP.BC No.23/21.04.018/2015-16 dated 1 July 2015, only the Chief Executive Officer of the Bank, falls under the category of key management personnel, hence no disclosures pertaining to him are provided.

Chief Executive Officer of the Bank: Mr. Ravneet Singh Gill

v. Transactions with the related parties in the ordinary course of business (Current year figures are shown in bold. Previous year's figures are shown in italics) :

(In Rs. '000)

Items/Related Party	Head Office (as per ownership or control)	Subsidiaries/ Associates/ Joint Venture	Other Related Parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
Sale of fixed assets			-			-
			-			-
Purchase of fixed assets	-	-	162	-	-	162
	-	-	-	-	-	-
Interest paid	-	-	687,141	-	-	687,141
	-	-	<i>1,535,233</i>	-	-	<i>1,535,233</i>
Interest received	-	-	72,025	-	-	72,025
	-	-	<i>4,693</i>	-	-	<i>4,693</i>
Rendering of services – receipt	-	-	194,129	-	-	194,129
	-	-	<i>(25,641)</i>	-	-	<i>(25,641)</i>
Receiving of services – payment	-	-	859,642	-	-	859,642
	-	-	<i>724,657</i>	-	-	<i>724,657</i>
Management contracts	-	-	219,728	-	-	219,728
	-	-	<i>81,031</i>	-	-	<i>81,031</i>
Purchase of securities	-	-	103,638,775	-	-	103,638,775
	-	-	<i>12,944,131</i>	-	-	<i>12,944,131</i>
Sale of securities	-	-	122,689,361	-	-	122,689,361
	-	-	<i>16,377,451</i>	-	-	<i>16,377,451</i>
Purchase/sale of foreign exchange contracts	-	-	848,156,142	-	-	848,156,142
	-	-	<i>767,240,833</i>	-	-	<i>767,240,833</i>

Note: As per the guidance on compliance with the accounting standards by banks issued by the RBI on 1 July 2015, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.

vi. Balances with related parties are as follows (Current year figures are shown in bold. Previous year's figures are shown in italics) :

(In Rs. '000)

Items/Related Party	Head Office (as per ownership or control)	Subsidiaries/ Associates/ Joint Venture	Other Related Parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
	-	-	<i>676,690</i>	-	-	<i>676,690</i>
Deposits	-	-	14,545,803	-	-	14,545,803
	-	-	<i>14,934,898</i>	-	-	<i>14,934,898</i>
Advance	-	-	510,121	-	-	510,121
	-	-	<i>18,471</i>	-	-	<i>18,471</i>
Balances with Banks	-	-	8,673,516	-	-	8,673,516
	-	-	<i>488</i>	-	-	<i>488</i>
Non-funded commitments	-	-	67,983,881	-	-	67,983,881
	-	-	<i>9,309,570</i>	-	-	<i>9,309,570</i>
Other Assets	-	-	743,783	-	-	743,783
	-	-	<i>566,009</i>	-	-	<i>566,009</i>
Other Liabilities	-	-	873,156	-	-	873,156
	-	-	<i>990,068</i>	-	-	<i>990,068</i>

Note: As per the guidance on compliance with the accounting standards by banks issued by the RBI on 1 July 2015, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

m. Disclosure requirements as per Accounting Standards (Continued)

iii AS 18 – Related party disclosures (Continued)

- vii. Details of maximum balances outstanding with related parties during financial year ended 31 March 2018. (Current year figures are shown in bold. Previous year's figures are shown in italics):

(In Rs. '000)

Items/Related Party	Head Office (as per ownership or control)	Subsidiaries/ Associates/ Joint Venture	Other Related Parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	32,960,341	-	-	32,960,341
	-	-	<i>4,461,972</i>	-	-	<i>4,461,972</i>
Deposits	-	-	42,207,822	-	-	42,207,822
	-	-	<i>36,376,681</i>	-	-	<i>36,376,681</i>
Advances	-	-	1,138,964	-	-	1,138,964
	-	-	<i>27,136</i>	-	-	<i>27,136</i>
Balances with Banks	-	-	17,362,607	-	-	17,362,607
	-	-	<i>41,142,670</i>	-	-	<i>41,142,670</i>
Non-funded commitments	-	-	86,624,670	-	-	86,624,670
	-	-	<i>26,414,434</i>	-	-	<i>26,414,434</i>
Other Assets	-	-	1,012,317	-	-	1,012,317
	-	-	<i>1,170,095</i>	-	-	<i>1,170,095</i>
Other Liabilities	-	-	1,208,681	-	-	1,208,681
	-	-	<i>1,197,295</i>	-	-	<i>1,197,295</i>

Maximum amounts outstanding for the current year have been computed based on daily balances outstanding.

Note: As per the guidance on compliance with the accounting standards by banks issued by the RBI on 1 July 2015, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.

- viii. The following are the material transactions between the Bank and its related parties for the year ended 31 March 2018. A specific related party transaction is disclosed as material wherever it exceeds 10% of all related party transactions in the current year in that category and if it does not conflict with the Bank's duties of customer confidentiality.

Rendering of services – receipt

Income from Deutsche Bank (Mauritius) Limited Rs. 77,067 thousand (Previous year: Rs. 71,285 thousand), DB International (Asia) Limited Rs. 61,636 thousand (Previous year: 70,983 thousand), Deutsche Investments India Private Limited Rs. 10,232 thousand (Previous year: Rs. 9,740 thousand), DBOI Global Services Private Limited Rs. 1,247 thousand (Previous year: Rs. 8,036 thousand), Deutsche Bank Trust Company Americas Rs. 37,323 thousand (Previous year: Rs. 204,735 thousand).

Receiving of services – payment

Expenses for receiving services from Deutsche Bank Trust Company Americas Rs. 63,321 thousand (Previous year: Rs 136,373 thousand), DBOI Global Services Private Limited Rs 599,580 thousand (Previous year: Rs. 385,396 thousand), Deutsche Investor Services Private Limited Rs 155,990 thousand (Previous year: Rs. 157,349 thousand).

Management contracts

Receipt from Deutsche Equities India Private Limited Rs 135,434 thousand (Previous Year: Rs. 114,167 thousand), DBOI Global Services Private Limited Rs. 203,681 thousand (Previous year: Rs. 143,503 thousand), Deutsche Investments India Private Limited Rs. 64,436 thousand (Previous year: Rs. 54,967 thousand), Deutsche CIB Centre Private Limited Rs. 99,114 thousand (Previous year: Rs. 91,671 thousand), Deutsche Bank, Sociedad Anónima Española Rs. 246 thousand (Previous year Payment of: Rs. 10,989 thousand).

Payment to Deutsche Bank Securities Inc Rs. 16,321 thousand (Previous year: Rs. 10,121 thousand), DB USA Core Corporation Rs 154,658 thousand (Previous year: Rs. 70,911 thousand), DB Service Centre Limited Rs. 2,015 thousand (Previous year: Rs. 12,508 thousand), DB Group Services (EURO) Rs. 2,301 thousand (Previous year: Rs. 157,872 thousand), DB Global Technology, Inc. Rs. 90,595 thousand (Previous year: Rs. 29,945 thousand), Deutsche Group Services Pty Limited Rs. 29,382 thousand (Previous year: Rs. 42,493 thousand).

Balance with Bank

Balance with Deutsche Bank Trust Company Americas Rs. 8,673,171 thousand (Previous year: Rs. Nil).

Other Assets

Receivable from Deutsche CIB Centre Private Limited Rs. 143,691 thousand (Previous year: Rs. 63,952 thousand), DBOI Global Services Private Limited Rs. 265,073 thousand (Previous year: Rs. 148,884 thousand), Deutsche Equities India Private Limited Rs. 130,448 thousand (Previous year: Rs. 166,315 thousand), Deutsche Bank Trust Company Americas Rs. 65,705 thousand (Previous year: Rs. 148,741 thousand), DB International (Asia) Limited Rs 117,525 thousand (Previous year: Rs. 1,102).

Other Liabilities

DBOI Global Services Private Limited Rs. 379,248 thousand (Previous year: Rs. 203,911 thousand), Deutsche Investor Services Private Limited Rs. 122,836 thousand (Previous year: Rs. 111,375 thousand), DB Group Services (EURO) Rs. 136,336 thousand (Previous year: Rs. 412,335 thousand).

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**m. Disclosure requirements as per Accounting Standards (Continued)**

iv AS 22 - Accounting for taxes on income

Amount of provision made for income-tax during the year

(In Rs. '000)

Provision for	31 March 2018	31 March 2017
Current tax*	8,401,755	9,168,891
Deferred tax	(871,187)	343,244

* Includes tax provision for earlier years of Rs. 513 thousand (Previous year Rs. 868,201 thousand).

Deferred tax is accounted for on the basis of AS 22 - 'Accounting for Taxes on Income'.

Component of deferred tax assets and deferred tax liabilities are as under:

(In Rs. '000)

	31 March 2018	31 March 2017
Deferred tax asset / (Deferred tax liabilities)		
Provision for bad and doubtful debts	3,497,865	2,740,539
Depreciation on fixed assets	(54,302)	(88,321)
Provision for staff compensation and benefits	250,979	136,430
Others	405,940	440,647
Net Deferred tax asset / (Deferred tax Liabilities)	4,100,482	3,229,295

v AS 19 – Leases - Operating leases

Disclosures as required by AS 19 - 'Leases' pertaining to leasing arrangement entered into by the Bank are given below:-

- Cancellable leasing arrangement for premises: Total lease rental of Rs. 433,419 thousand (Previous year: Rs. 287,541 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for premises: Total lease rental of Rs. 196,813 thousand (Previous year: Rs. 275,227 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for vehicles: Total lease rental of Rs. 28,728 thousand (Previous year: Rs. 30,200 thousand) has been included under Schedule 16.12.

The future minimum lease payments under non-cancellable operating lease are as follows:

(In Rs. '000)

	31 March 2018	31 March 2017
Not later than one year	234,208	221,244
Later than one year and not later than five years	662,635	817,029
Later than five years	–	–

vi Other accounting standards

i) AS 10 – Property, Plant and Equipment - Movement in carrying amount:

(In Rs. '000)

	31 March 2018	31 March 2017
Premises		
Gross Carrying at Beginning of the year	1,262,369	2,012,971
Accumulated Depreciation at Beginning of the year	774,207	1,187,799
Opening Carrying Amount	488,162	825,172
Additions during the year	1,596	58,060
Deductions (net) during the year	(100)	(283,009)
Depreciation for the period	(107,368)	(112,061)
Closing Carrying amount	382,290	488,162
Gross Carrying at end of the year	1,260,762	1,262,369
Accumulated Depreciation at end of the year	878,472	774,207
Other Fixed Assets		
Gross Carrying at Beginning of the year	1,719,557	1,980,427
Accumulated Depreciation at Beginning of the year	1,152,481	1,465,668
Opening Carrying Amount	567,076	514,759
Additions during the year	230,068	246,754
Deductions (net) during the year	(1,927)	(21,589)
Depreciation for the period	(189,809)	(172,848)
Closing Carrying amount	605,408	567,076
Gross Carrying at end of the year	1,896,807	1,719,557
Accumulated Depreciation at end of the year	1,291,399	1,152,481



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

m. Disclosure requirements as per Accounting Standards (Continued)

- vi Other accounting standards (Continued)
ii AS 26 – Intangible assets included under Other fixed assets (including furniture and fixtures). It includes amount capitalized as software.

(In Rs. '000)

	31 March 2018	31 March 2017
Cost as at 31 March of the preceding year	353,903	256,933
Addition during the year	191,835	176,395
Deduction during the year	(1,002)	(79,425)
Accumulated depreciation to date	(227,676)	(176,981)
Net Value as at 31 March of the current year	317,060	176,922

- iii AS 28 – Impairment of Assets – During the year provision of Rs. Nil (Previous year Rs. Nil) with respect to impairment of Fixed Assets which has been included in Schedule 16.12.
iv No disclosures are required under AS 24 on Discontinuing Operations.

n. Additional disclosures

- i Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account:

(In Rs. '000)

	31 March 2018	31 March 2017
Provision for loan loss (net)	513,157	5,784,321
Provision / (write back) for contingent credit exposures	699,883	(1,657)
Provision / (write back) for standard assets	175,902	(738,257)
Provision / (write back) for country risk	56,270	(44,761)
Bad debts written off	304,464	159,927
Provision / (write back) for depreciation on investments	224,764	46,651
Other Provisions	1,018,248	(331,281)
Provision for taxation:		
(a) Current tax	8,401,755	9,168,891
(b) Deferred tax	(871,187)	343,244
Total	10,523,256	14,387,078

Other Provisions (net) include provisions of Rs. 1,018,248 thousand (Previous year reversal of provision of Rs. 331,281 thousand) made on prudential basis on specific advances or exposures which are not NPAs.

The Bank has reviewed all its pending litigations and long term contracts, including derivative contracts, to assess material foreseeable losses. At the year-end adequate provision for material foreseeable losses on such long term contracts, including derivative contracts has been made in the books of accounts in accordance with its accounting policy on provisions and contingencies.

- ii Floating provision

(In Rs. '000)

	31 March 2018	31 March 2017
Opening balance	712,260	712,260
Add: Floating provisions made during the year	–	–
Less: Draw down made during the year	–	–
Closing balance	712,260	712,260

- iii Drawdown on reserves

The Bank has drawn down investment reserve of Rs. 95,648 thousand during the year ended 31 March, 2018 (Previous year: Rs.19,852 thousand) as required by RBI circular DBR No BP.BC.6/21.04.141/2015-16 dated 1 July 2015.

- iv Customer complaints

	31 March 2018	31 March 2017
A Customer complaints		
(a) No. of complaints pending at the beginning of the year	282	175
(b) No. of complaints received during the year	6,121	7,231
(c) No. of complaints redressed during the year	6,219	7,124
(d) No. of complaints pending at the end of the year	184	282
B Awards passed by the Banking Ombudsman		
(a) No. of unimplemented awards at the beginning of the year	–	–
(b) No. of Awards passed by the Banking Ombudsman during the year	–	–
(c) No. of Awards implemented during the year	–	–
(d) No. of unimplemented Awards at the end of the Year	–	–

- v Letter of comfort

The Bank has not issued any letter of comfort during the year ended March 31, 2018 and March 31, 2017.

- vi Provisioning Coverage Ratio as at 31 March 2018 is 70.20% (Previous year 67.06%)

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**n. Additional disclosures (Continued)**

vii Bancassurance business

Fees / remuneration received in respect of bancassurance business during the year is as follows:

(In Rs. '000)

	31 March 2018	31 March 2017
For selling life insurance products	65,795	56,924
For selling non life insurance products	29,732	12,927
For selling Mutual fund products	548,345	468,529
For selling PMS products	120,933	72,084
Others	10	3,293
Total	764,815	613,757

viii Concentration of Deposits, Advances, Exposures and NPAs

i Concentration of Deposits

(In Rs. '000)

	31 March 2018	31 March 2017
Total Deposits of twenty largest depositors	138,220,559	116,272,091
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	29.19%	29.91%

ii Concentration of Advances*

(In Rs. '000)

	31 March 2018	31 March 2017
Total Advances to twenty largest borrowers	384,747,482	445,956,628
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	31.67%	35.58%

* Advances are computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms.

iii Concentration of Exposures**

(In Rs. '000)

	31 March 2018	31 March 2017
Total Exposure to twenty largest borrowers/customers	384,747,482	445,956,628
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	31.20%	35.23%

** Exposures are computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms.

iv Concentration of NPAs

(In Rs. '000)

	31 March 2018	31 March 2017
Total Exposure to top four NPA accounts	6,777,938	6,097,798

ix Sector-wise Advances and NPAs

(In Rs. '000)

Sector/Sub-Sector*	31 March 2018			31 March 2017		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A PRIORITY SECTOR						
1 Agriculture and allied activities	—	—	—	820,000	—	—
2 Advances to industries sector eligible as priority sector lending, of which :	95,351,083	759,845	0.80%	97,828,058	561,174	0.57%
Chemicals and Chemical Products	10,271,871	10,943	0.11%	16,024,401	6,322	0.04%
Basic Metal and Metal Products	20,297,288	40,590	0.20%	26,517,763	9,908	0.04%
All Engineering	21,428,833	314,409	1.47%	14,326,436	291,056	2.03%
Vehicles, Vehicle Parts and Transport Equipments	9,736,589	2,685	0.03%	—	—	—
Petroleum, Coal Products and Nuclear Fuels	—	—	—	16,963,791	—	—
3 Services, of which :	40,567,680	394,699	0.97%	24,405,446	322,260	1.32%
Computer Software	11,972,571	23,550	0.20%	11,543,836	5,564	0.05%
Professional and Other Services	7,693,454	311,267	4.05%	7,286,273	295,579	4.06%
Banking and finance other than NBFC and MFs	17,134,140	—	—	3,496,091	—	—
4 Personal loans, of which :	215,967	2,312	1.07%	271,749	4,392	1.62%
Housing Loans	215,967	2,312	1.07%	271,749	4,392	1.62%
Total PRIORITY SECTOR (A)	136,134,730	1,156,856	0.85%	123,325,253	887,826	0.72%

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**n. Additional disclosures (Continued)**

ix Sector-wise Advances and NPAs (Continued)

(In Rs. '000)

Sector/Sub-Sector *	Outstanding Total Advances	31 March 2018		31 March 2017		
		Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
B NON PRIORITY SECTOR						
1 Agriculture and allied activities	–	–	–	–	–	–
2 Industry, of which :	74,719,175	5,615,493	7.52%	60,114,337	6,379,060	10.61%
All Engineering	19,225,105	–	0.00%	16,099,136	–	–
Vehicles, Vehicle Parts and Transport Equipments	9,446,498	3,491,044	36.96%	8,732,381	3,491,044	39.98%
Infrastructure	22,423,473	–	0.00%	13,201,776	–	–
3 Services, of which :	89,017,090	599,155	0.67%	83,010,165	539,304	0.65%
Trade	13,080,387	–	0.00%	–	–	–
Commercial real Estate	13,116,757	23,034	0.18%	10,398,323	–	–
Non-Banking Financial Companies	18,350,147	–	0.00%	–	–	–
Banking and finance other than NBFC and MFs	32,188,527	258,369	0.80%	50,676,645	221,552	0.44%
4 Personal loans, of which :	99,787,567	2,861,656	2.87%	91,137,722	2,141,538	2.35%
Other Personal Loans	12,156,222	304,024	2.50%	74,873,372	1,782,136	2.38%
Housing Loans	87,134,620	2,557,633	2.94%	15,826,514	359,402	2.27%
Total NON PRIORITY SECTOR (B)	263,523,832	9,076,304	3.44%	234,262,224	9,059,902	3.87%
Total (A) + (B)	399,658,562	10,233,160	2.56%	357,587,477	9,947,728	2.78%

* Sub-sector wise Advances are shown where the outstanding advances exceed 10% of the outstanding advances of that sector.

x Movement of NPAs

(In Rs. '000)

	31 March 2018	31 March 2017
Gross NPAs as on 1 April (Opening Balance)	9,947,728	1,991,244
Additions (Fresh NPAs) during the year	3,841,361	9,686,485
Sub-total (A)	13,789,089	11,677,729
Less:-		
(i) Up gradations	2,275,126	974,605
(ii) Recoveries (excluding recoveries made from upgraded accounts)	976,340	595,469
(iii) Technical/Prudential write-offs	–	–
(iv) Write-offs other than those under (iii) above	304,463	159,927
Sub-total (B)	3,555,929	1,730,001
Gross NPAs as on 31 March (closing balance) (A-B)	10,233,160	9,947,728

The Bank does not have any advances which are outstanding in the books of the branches, but have been written-off (fully or partially) at the Bank level.

xi Overseas Assets, NPAs and Revenue

(In Rs. '000)

	31 March 2018	31 March 2017
Total Assets	10,434,635	19,621,667
Total NPAs	–	–
Total Revenue	403,338	114,426

xii There are no off-balance sheet SPVs sponsored by the Bank.

xiii Disclosure requirements for remuneration

In accordance with the requirements of the RBI Circular No. DBOD.NO.BC. 72/29.67/001/2011-12 dated 13 January 2012, the Global Head Office of the Bank has submitted a declaration to RBI that the Bank's compensation policies including that of CEO, is in conformity with the Financial Stability Board principles and standards.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**n. Additional disclosures (Continued)**

xiv Disclosures relating to Securitisation

During the year, the Bank has not entered into any securitisation transactions (Previous year Rs Nil).

xv Credit Default Swaps

During the year, the Bank has not entered into credit default swaps (Previous year Rs Nil).

xvi Intra-Group Exposures

The details of Intra-Group transaction are as follows:

(In Rs. '000)

	31 March 2018	31 March 2017
Total amount of Intra-group exposures	22,565,947	20,912,326
Total amount of top 20 intra group exposures	22,565,947	20,912,326
% of intra-group exposure to total exposure of the bank on borrowers / customers	1.83%	1.65%
Breach of limits on intra group exposures	Yes	NA

As at March 31, 2018, the bank's exposure to group entities was 20.52 % of the paid up capital and reserve against the limit of 20% stipulated by RBI. The inadvertent breach happened on account of FX hedge transactions done with the Bank by one of the group entities. The bank had informed RBI of the breach and the same has been acknowledged by them. Subsequently, the bank had brought down the exposure to bring the intra-group exposures within the limit of 20% of paid up capital & reserve.

xvii Transfers to Depositor Education and Awareness Fund (DEAF)

(In Rs. '000)

	31 March 2018	31 March 2017
Opening balance of amounts transferred to DEAF	221,361	139,930
Add : Amounts transferred to DEAF during the year	116,578	82,572
Less : Amounts reimbursed by DEAF towards claims	(52,532)	(1,141)
Closing balance of amounts transferred to DEAF	285,407	221,361

xviii Unhedged Foreign Currency Exposure

The Bank has in place a policy on managing credit risk arising out of Unhedged Foreign Currency Exposures of its borrowers. In order to minimize risk arising out of exposure to corporates, all foreign currency loans granted by the Bank in excess of USD 10 million are subject to it being mandatorily hedged for foreign currency risk by the corporate, except in the following cases:

- Foreign currency loans extended to finance exports provided customers have uncovered receivables to cover the loan amount.
- Foreign currency loans extended for meeting foreign currency expenditure.

In addition to the above, foreign exchange (FX) risk on unhedged exposures is a crucial part of the risk assessment of the Bank as under:

- FX risk on account of unhedged exposures is factored in during the initial and annual rating exercise based on its impact on the credit profile of the counterparty. The counterparty rating is a critical determinant of all credit reviews and credit decisions.
- FX Hedging policy of clients is discussed in detail during periodic client meetings and information is obtained about existing hedged and unhedged positions of the client and policy on hedging.
- The FX risk of unhedged positions is also qualitatively assessed based on natural hedge available to the counterparty, under business economics/type of exposure to be hedged.
- Rapid portfolio reviews are also conducted during periods of relative currency volatility and appropriate action is taken at a counterparty level to manage credit risks.

The Bank has maintained incremental standard asset provision of Rs. 1,153,503 thousand (Previous year Rs. 881,354 thousand) and incremental capital of Rs. 5,831,538 thousand (Previous year Rs. 4,358,032 thousand) on account of Unhedged Foreign Currency Exposure of its borrowers.

xix The Bank has outstanding factoring exposure of Rs. 49,323,886 thousand (Previous year: Rs. 23,000,676 thousand). The same has been included under the head 'Bills purchased and discounted' in Schedule 9.1.



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

o. Liquidity Coverage Ratio

(In Rs. '000)

	Daily average for Quarter ended 30 June, 2017		Daily average for Quarter ended 30 September, 2017		Daily average for Quarter ended 31 December, 2017		Daily average for Quarter ended 31 March, 2018	
	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
High Quality Liquid Assets								
1 Total high-quality liquid assets (HQLA)		151,148,395		146,161,916		174,062,281		189,043,137
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	44,194,539	4,308,192	48,611,591	4,754,217	53,486,658	5,239,675	53,964,200	5,287,862
(i) Stable deposits	2,225,250	111,263	2,138,844	106,942	2,179,833	108,992	2,171,173	108,559
(ii) Less stable deposits	41,969,289	4,196,929	46,472,747	4,647,275	51,306,825	5,130,683	51,793,027	5,179,303
3 Unsecured wholesale funding, of which:	289,697,170	126,269,816	281,259,880	116,855,322	308,394,876	132,063,974	311,191,039	128,250,184
(i) Operational deposits (all counterparties) and deposits in networks of cooperative banks	149,340,517	37,303,909	154,174,879	38,510,386	171,239,409	42,777,012	170,268,945	42,533,832
(ii) Non-operational deposits (all counterparties)	140,356,653	88,965,907	127,085,001	78,344,936	137,155,467	89,286,962	140,922,094	85,716,352
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding								
5 Additional requirements, of which:	453,114,524	29,861,343	419,203,501	27,151,820	395,042,153	25,927,637	424,282,431	28,359,764
(i) Outflows related to derivative exposures and other collateral requirements	-	2,973,144	-	2,078,358	-	2,128,920	-	2,617,923
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	453,114,524	26,888,199	419,203,501	25,073,462	395,042,153	23,798,717	424,282,431	25,741,841
6 Other contractual funding obligations	608,131	608,131	601,429	601,429	717,688	717,688	916,045	916,045
7 Other contingent funding obligations	190,452,612	5,713,578	188,148,317	5,644,449	182,549,249	5,476,477	174,682,473	5,238,689
8 Total Cash Outflows		166,761,060		155,007,237		169,425,451		168,052,544
Cash inflows								
9 Secured lending (eg reverse repos)	81,585,738	-	77,108,755	-	82,776,957	-	104,622,494	-
10 Inflows from fully performing exposures	114,336,458	77,872,814	123,201,048	86,033,213	151,592,340	110,840,164	146,378,581	107,234,321
11 Other cash inflows	4,633,474	3,325,135	5,194,261	3,463,666	7,728,864	5,338,178	7,331,930	5,345,410
12 Total Cash Inflows	200,555,670	81,197,949	205,504,064	89,496,879	242,098,161	116,178,342	258,333,005	112,579,731
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
13 Total HQLA		151,148,395		146,161,916		174,062,281		189,043,137
14 Total Net Cash Outflows*		85,563,111		65,510,359		53,247,109		55,472,813
15 Liquidity Coverage Ratio (%)		176.65%		223.11%		326.90%		340.79%

* Total Net Cash Outflows is capped to 25% of Cash outflows

(In Rs. '000)

	Monthly average for Quarter ended 30 June, 2016		Monthly average for Quarter ended 30 September, 2016		Monthly average for Quarter ended 31 December, 2016		Monthly average for Quarter ended 31 March, 2017	
	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
High Quality Liquid Assets								
1 Total high-quality liquid assets (HQLA)		78,655,331		128,031,418		160,245,902		155,650,823
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	35,164,028	3,395,035	188,129,688	18,690,822	38,792,868	3,752,109	39,978,126	3,887,572
(i) Stable deposits	2,427,354	121,368	2,442,937	122,147	2,543,566	127,178	2,204,819	110,241
(ii) Less stable deposits	32,736,674	3,273,667	185,686,751	18,568,675	36,249,302	3,624,930	37,773,307	3,777,331
3 Unsecured wholesale funding, of which:	264,995,178	100,081,247	299,387,888	120,181,596	299,236,573	126,928,700	296,196,631	116,131,782
(i) Operational deposits (all counterparties) and deposits in networks of cooperative banks	142,292,641	35,542,126	147,884,447	36,938,282	138,340,651	34,553,648	138,774,377	34,662,612
(ii) Non-operational deposits (all counterparties)	122,702,538	64,539,121	151,503,441	83,243,315	160,895,922	92,375,052	157,422,254	81,469,169
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding								
5 Additional requirements, of which:	386,477,957	24,695,553	410,777,453	28,937,938	446,796,610	28,228,172	465,230,506	29,913,040
(i) Outflows related to derivative exposures and other collateral requirements	2,012,377	2,012,377	4,725,603	4,725,603	1,673,785	1,673,785	2,268,375	2,268,375
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	386,477,957	22,683,176	410,777,453	24,212,335	446,796,610	26,554,387	465,230,506	27,644,665
6 Other contractual funding obligations	1,391,130	1,391,130	2,503,649	2,503,649	1,462,352	1,462,352	595,568	595,568
7 Other contingent funding obligations	139,639,646	6,981,982	228,771,267	6,863,138	216,845,967	6,505,379	205,335,464	6,160,064
8 Total Cash Outflows		136,544,948		177,177,143		166,876,712		156,688,025
Cash inflows								
9 Secured lending (eg reverse repos)	41,058,724	-	83,043,898	249,955	74,185,756	-	108,328,554	-
10 Inflows from fully performing exposures	156,185,546	111,426,514	147,308,519	105,591,345	126,222,778	86,356,448	120,629,144	85,725,813
11 Other cash inflows	14,552,035	8,058,835	13,202,574	7,322,991	12,352,966	7,843,466	4,750,227	3,883,949
12 Total Cash Inflows	211,796,305	119,485,349	243,554,991	113,164,290	212,761,500	94,199,914	233,707,925	89,609,762
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
13 Total HQLA		78,655,331		128,031,418		160,245,902		155,650,823
14 Total Net Cash Outflows*		34,136,237		64,012,853		72,676,798		67,078,263
15 Liquidity Coverage Ratio (%)		230.42%		200.01%		220.49%		232.04%

* Total Net Cash Outflows is capped to 25% of Cash outflows

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2018

4. Notes to financial statements (Continued)**o. Liquidity Coverage Ratio (Continued)****Qualitative Disclosure around LCR**

The Bank measures and monitors the Liquidity Coverage Ratio (LCR) in line with the extant RBI guidelines. The LCR is intended to promote the short-term resilience of a bank's liquidity risk profile over a 30 day stress scenario. The ratio is defined as the amount of High Quality Liquid Assets ("HQLA") that could be used to raise liquidity, measured against the total volume of net cash outflows, arising from both actual and contingent exposures, in a stressed scenario. The LCR is subject to a transitional phase-in period, starting at a minimum of 60% on 1 January 2015, which has been increased to 90% on 1 January 2018. The minimum LCR requirement will be increased to 100% on 1 January 2019.

The Bank's average LCR for the quarter ended March 2018 stood at 340.79% as against 232.04% for the quarter ended March 2017. In accordance with RBI guideline dated 31st March 2015, the LCR ratio for the quarter ended March 2017 is computed on daily LCR observations.

The bank maintains HQLA primarily in the form of excess CRR maintained with the RBI, unencumbered SLR holdings over and above the mandatory SLR requirement and the portion of mandatory SLR holdings that are allowed by the RBI to be counted towards HQLA through the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

The Bank has maintained an average HQLA of Rs. 189,043,137 thousand for quarter ended March 2018 as against Rs. 155,650,823 thousand for quarter ended March 2017.

The Bank's average net cash outflows stood at Rs. 55,472,813 thousand for quarter ended March 2018 as against Rs. 67,078,263 thousand for quarter ended March 2017. The main drivers for cash outflows are operational and non-operational deposits from corporate and retail customers, short-term borrowings and contingent outflows from credit and liquidity facilities, letters of credit, guarantees and trade finance facilities granted to corporate customers. The main LCR inflow driver is inflows from fully performing exposures, representing inflows from loans extended to retail and corporate customers. Derivative exposures and potential collateral calls are not material contributors to the LCR. The Bank has a diversified liability mix with the main sources of funding consisting of capital infused by the DB AG Head Office and CASA and time deposits from retail and corporate customers. The Bank exhibits no material counterparty concentration across all funding sources.

The Bank's Asset Liability Committee (ALCO) manages and defines its funding strategy to maintain a stress-compliant and diversified funding profile based on LCR requirements, other regulatory requirements, the Bank's liquidity risk appetite and the Bank's internal liquidity risk management framework. The ALCO manages the liquidity requirements of all of the Bank's Indian branches and businesses centrally and holistically, meetings are chaired by the Bank's Treasurer and are attended by the CEO, CFO, COO, the Bank's business heads and infrastructure function heads.

p. Corporate Social Responsibility ('CSR')

The Bank continues to have a strong focus on CSR and has put in place a very strong governance process around project adoption and funds disbursal. The Bank's CSR Policy document sets out the following primary objectives:

- Education** - Enabling underprivileged children and youth overcome poverty through education and to reach their full potential, by boosting their aspirations, improving their skill set and by making vocational training and job placements available to them. The Bank will work across the education continuum – primary, secondary and tertiary levels leading up to employability.
- Healthcare** - Providing end-to-end access to affordable and quality healthcare to children, youth and adults from socially and economically backward background. This includes preventive & early screening of diseases, curative & operative healthcare for fatal diseases as well as capacity building for hospitals & institutions.
- Social & Environment Sustainability** - Developing sustainable ideas that drive social and environmental change for increasing the country's forest and water reserves and usage of renewable energy.
- Disaster Relief** - Enabling funds directly or through implementing partners to support natural disaster relief efforts as may be required in the country from time to time.
- CSR activities falling within the scope of Schedule VII of Section 135 of the Companies Act, 2013.

Based on the above, the Bank has identified and executed on CSR activities.

- Gross amount required to be spent by the Bank is Rs. 446,753 thousand (Previous year Rs. 411,349 thousand)
- Amount spent during the year is Rs. 447,788 thousand (Previous year Rs. 411,755 thousand)

The details of amount spent during the respective year towards CSR are as under

(In Rs. '000)

	31 March 2018			31 March 2017		
	Amount spent	Amount Unpaid/provision	Total spent	Amount	Amount Unpaid/provision	Total
1 Construction / acquisition of any asset	-	-	-	-	-	-
2 On purpose other than (i) above	447,788	-	447,788	411,755	-	411,755

q. Disclosure on provisioning pertaining to fraud accounts*(In Rs. '000)*

	31 March 2018	31 March 2017
Number of frauds reported during the year	29	60
Amounts involved	956,340	2,427
Provisions made during the year	148	293
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

r. Priority Sector Lending Certificates (PSLCs) purchased / sold

The Bank has not purchased/sold any PSLCs assets during the year ended March 31, 2018 (Previous year Nil).



Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2018

4. Notes to financial statements (Continued)

s. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 -

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED), certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management and confirmation sought from suppliers by the Bank on registration with specified authority under MSMED, principal amount unpaid to such enterprises as at end of the year is Rs. 1,969 thousand (Previous year Rs. 126 thousand) and interest thereon is Rs Nil (Previous year Rs. Nil), principal amount paid after the due date to such enterprises is Rs. 841 thousand (Previous year Rs. 3,247 thousand) and the interest payable as at 31 March 2018 to such enterprises is Rs 6 thousand (Previous year Rs. 64 thousand).

t. Implementation of Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), on 18 January 2016 issued a press release setting out the dates of Indian Accounting Standards (Ind AS) applicability for banks from the accounting period beginning 1 April 2018. The RBI has also issued a circular in February 2016 advising that the Banks in India are required to implement Ind AS from April 1, 2018. Subsequently RBI vide its notification dated April 05, 2018 has decided to defer the implementation of Ind AS by one year as necessary legislative amendments to make the formats of financial statements compatible with Ind AS are under consideration of the Government.

The Ind AS guidelines converge substantially with International Financial Reporting Standards (IFRS) and the Bank already prepares its financial statements for Head Office Reporting based on IFRS. Hence, the Bank has approached Ind AS implementation primarily as a review and analysis of existing IFRS reporting practices vis-à-vis Ind AS. The Bank has setup a cross-functional Steering Committee with representatives from Finance, Business, Compliance, Risk and Operations to oversee the implementation of Ind AS. Based on RBI directions, the Bank has also submitted proforma Ind AS financials to RBI for the period ended 30 September 2016 and 30 June 2017.

u. Movement in provision for debit card reward points

(In Rs. '000)

	31 March 2018	31 March 2017
Opening provision	9,389	8,022
Provision made during the year	3,661	6,919
Utilization of provision during the year	(5,019)	(5,552)
Closing provision	8,031	9,389

v. Provisions, Contingent liabilities and contingent Asset

Sr. No	Contingent Liabilities	Brief
1)	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal proceedings in the normal course of business. The Bank's pending claims and litigations comprise of claims & litigations against the Bank by clients and proceedings pending with Income tax authorities, which are disputed by the bank and possible to be held against the bank.
2)	Liability on account of foreign exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps, currency futures and interest rate swaps with interbank participants/customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Currency futures are standardized foreign exchange derivatives contracts traded in a recognized stock exchange to buy or sell foreign currency at a future date at the contracted rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are typically amounts used as benchmark for the calculation of the interest component of the contracts.
3)	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4)	Other items for which the Bank is contingently liable - Others	These include undrawn commitments, capital commitments, amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF), forward asset purchases and value of investments traded on or before the Balance Sheet date with a settlement post the Balance Sheet date.

w. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Signatures to Schedule 1 to 18 form part of the Financial Statements and to the above notes.

The schedules referred to above and the attached notes form an integral part of the Financial Statements.

As per our Report of even date.

For **Price Waterhouse Chartered Accountants LLP**

ICAI Firm Registration No: 012754N/N500016

Sd/-

Sharad Vasant

Partner

Membership No: 101119

Place : Mumbai

Dated : 13 June 2018

For **Deutsche Bank AG**

India Branches

Sd/-

Ravneet Singh Gill

Chief Executive Officer – India

Sd/-

Avinash Prabhu

Chief Financial Officer – India